Registered number: 11493243

CARE TREE HOLDING LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CARE TREE HOLDING LTD

COMPANY INFORMATION

Directors	A C De Changy B Duplat S Foxall-Smith M Lefebvre
Registered number	11493243
Registered office	1st Floor, 1 Lakeside Headlands Business Park Blashford Ringwood BH24 3PB
Independent auditor	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

CARE TREE HOLDING LTD

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The directors are pleased to give their report for the financial year to December 2024 for Care Tree Holdings Limited (the ‘Group’ / the ‘business’).

Business Review

The directors are satisfied with the results for the period, achieved in a highly pressured market, with wage inflation and a challenging economic backdrop creating continued headwinds on earnings / margin. The directors aim to provide a balanced and comprehensive review of the development and performance of the business, which despite market pressure has seen the company continue to build its residential home and supported living units principally in the north of England as supported by the financial statements for the year.

Financial key performance indicators

The company constantly reviews Key Performance Indicators (KPI’s) that include fees received, payroll costs and operating profit which are detailed in the financial statements, some key KPI’s are as follows:

	2024	*2023*
	£	*£*
Revenue	**39,381,304**	*37,718,677*
Operating profit/(loss)	**3,548,057**	*15,012,246*
Property, plant and equipment value	**33,289,149**	*34,603,323*
Net assets	**47,348,503**	*51,048,335*

Principal risks and uncertainties

• Financial

The group has outstanding finance of £71m and acknowledges the level of debt, remaining vigilant to the economic landscape however this step change represents a material reduction in risk for the Group.

The company continues to face risk from inflationary pressure on costs, in particular to changes in the National Living Wage and changes to the NI thresholds in 2025 but is well placed to manage these headwinds through both the scale of the group and the ability to recover cost increases through fee growth.

The company acknowledges that relationships with its suppliers and customers are key to its success and as such works closely with them to build long lasting business relationships.

• Staff recruitment

The group’s success is dependent on its staff and the ability to recruit and maintain a level of quality to drive the right culture. The company invests in training and through induction and aims to provide a safe and secure workplace for all individuals. Where challenges have been faced with recruitment the organisation has evolved with the market trends to ensure the organisation is able to recruit and retain staff. This done by proactively investing in staff development and providing clear development pathways for staff to progress through the organisation as we grow.

• Occupancy

The group’s occupancy levels are key to its continued success and any significant reduction would have an adverse effect on the results of the company. Occupancy levels are maintained through continued close working with the local authorities. Our reputation as an organisation that can provide care and support to some of the most challenging in our society has been developed over many years and our local relationships continue to develop as we are able to offer bespoke care packages that meet the needs of a changing market. We continue to monitor local joint strategic needs to ensure that we are well positioned to meet the needs of changing demand, now and in the future.

• Legislation and regulation

The group’s care home activities are monitored by the Care Quality Commission (CQC). The company takes its responsibility seriously and puts into place the necessary checks and monitoring to ensure compliance and is always willing to work with the CQC to maintain and improve standards. Our quality drives and initiatives within all our services ensure that standards and regulatory compliance remains at the core of what we do. When things go wrong, we have the capabilities and capacity to ensure services are supported through a quality outcomes framework and at its core is always the safety and wellbeing of our service users.

• Community and environment

The group understands how important friendship and interaction with others are as part of life in the community. Therefore, we create an environment that encourages this to happen naturally. It's why you'll see excellent interaction between staff and service users in each of our homes, with close friendships also developing between the service users themselves. We acknowledge that the care homes are deeply within communities and all efforts are made to blend in and respect all parties concerned. All of our services are embedded within local communities. We work hard to ensure all of our service users have access to their community in order for them to feel an integral part of it. We would with local residents, community groups and organisations to offer the best possible outcomes for our service users and we feel this can only be achieved in complete partnership with our local communities.

Directors' statement of compliance with duty to promote the success of the Group

Section 172 Companies Act Statement
The directors acknowledge their duty under Section 172 (1) (a) to (f) of the Companies Act 2006 to set out a statement explaining issues the considered in complying with this section in engaging with stakeholders, employees, suppliers and other parties the company interacted with during the period. The directors act in good faith to promote the company's success for the benefit of the members as a whole and having regard to the provisions of Section 172 as follows:
S172 (1) (A) – The likely consequences of any decision in the long term
The directors acknowledge that every decision has an impact on the people employed and the level of service and quality provided to continue growing its business and strives to understand the importance of such decisions.

S 172(1) (B) - The interests of the Company and Group's employees
The directors appreciate the company's employees are key to its success and as such strive to maintain a safe workplace and remain a responsible employer in maintaining the workplace environment and the pay and benefits of its employees through constant review and monitoring and seeking feedback at every juncture, providing training and support as necessary.
SI72(1) (C) - The need to foster the Company and Group's business relationships with suppliers, customers, and others
The company continually monitors the relationships it holds with its suppliers, customers and local authorities to ensure they are strong and mutually beneficial to all parties concerned.
S172(1) (D) - The impact of the Company and Group's operations on the community and the environment
The company is proud of the level of care it provides in its care homes and via Residential & supported living. We believe it's important to work towards a future of improvement and enrichment. Even if the steps are small and the journey is long, our optimistic approach makes the future a highly desirable destination for our service users.
Individuals enjoy their own space to ensure, as much as possible, they can have independence and pride ourselves on this belief that this approach provides the very best care possible.
S172(1) (E) - The desirability of the Company and Group maintaining a reputation for high standards of business conduct
The company is regulated by the Care Quality Commission (CQC) and takes this responsibility for the provision of care with the upmost dedication with regular reviews to ensure a high level of standards are always maintained. Where standards do fall short, all remedial measures are put into place to improve matters and this continual striving to improve quality is something the company is proud of.
The company's reputation of quality is paramount to its reputation to ultimately provide high levels of care within its operations.
S 172(1) (F) - The need to act fairly between members of the Company.
The directors take the necessary actions to operate the company with the values it has set, balancing these between the stakeholders of the business and the overall desire to maintain high levels of care and build an operation based on fairness and appreciating service users, employees and suppliers and customers alike in delivering this mission.

This report was approved by the board and signed on its behalf.

....

A C De Changy
Director

Date: 18 June 2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK and the Parent Company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing each of the consolidated and Parent Company 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;
- for the consolidated financial statements, state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Principal activity

The principal activity of the group in the year under review was that of the operation of care home facilities for the disabled and infirmed in the U.K.

Results and dividends

The loss for the year, after taxation, amounted to £3,699,832 *(2023 -profit £7,231,055)*.

No dividends will be distributed for the year ended 31 December 2024 (2023 - nil).

Directors

The directors who served during the year were:

A C De Changy
B Duplat
S Foxall-Smith
M Lefebvre

Future developments

We refer to note 22 of these financial statements for information around subsequent events.

Financial instruments

The group's operations expose it to financial risks that include credit risk and liquidity risk. Management have delegated the responsibility of monitoring financial risk management to the finance director.
The principal risks are detailed in the Strategic Report.

Engagement with employees

The Group is committed to ensuring equal opportunities for all and nurturing a diverse organisation. We promote a working environment of inclusiveness where all participants value each other's different contributions, skills and experience and are opposed to any form of less favourable treatment for employees or job applicants. This includes less favourable treatment caused by direct or indirect discrimination, on the grounds of disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, colour, nationality and ethnic or national origins, religion or belief, sex and/or sexual orientation or any other irrelevant factors.
We recognise the benefits to the organisation of a diverse and inclusive culture where everyone has the opportunity to thrive and fulfil their potential. It is committed to building a workforce that is diverse and reflects the community in which it works and to ensuring it can meet the needs of service users from all backgrounds.
We strive to ensure that the work environment is free from harassment and bullying and that everyone is treated with dignity and respect. Care Tree puts its commitment to equality of opportunity and diversity into practice through its procedures for both recruitment and employment. References ACAS guidelines.
The Group's full policy is given to employees at the start of employment.

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

....

A C De Changy
Director

Date: 18 June 2025

Opinion

We have audited the financial statements of Care Tree Holding Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 21 - 26. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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. Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

Conversations with management and review of formal and informal forecasts and budgets for the period of 12 months from the date of signing of the financial statements. The forecasts are deemed reasonable based on expected sales and margins remaining at current levels taking into account liabilities as they fall due.

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 Group's or the Parent 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.

Opinion 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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 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, 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 Group's and the Parent 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 Group or the Parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. Compliance with CQC regulations and reviews are also key requirements on the Company and Group that may impact the Financial Statements. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures.

- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.

- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
    - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
    - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
    - Challenging assumptions and judgments made by management in its significant accounting estimates; and
    - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
    - Posting of unusual journals and complex transactions.
    - Misappropriation of funds through fraudulent purchase ledger.
    - Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE TREE HOLDING LTD (CONTINUED)

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.

Andrew Galliers FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

3000a Parkway
Whiteley
Hampshire
PO15 7FX

25 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Revenue	4	**39,381,304**	*37,718,677*
Cost of sales		**(21,293,283)**	*(21,291,934)*
Gross profit		**18,088,021**	*16,426,743*
Other operating income	5	**732,937**	*12,456,759*
Administrative expenses (including exceptional legal costs of £588,547 (2023: £2,027,457) and exceptional impairment charge in relation to Goodwill of £697,452 (2023: £550,000))		**(15,262,179)**	*(13,867,973)*
Other expenses		**(10,722)**	*(3,283)*
Profit from operations		**3,548,057**	*15,012,246*
Finance income	8	**-**	*359*
Finance expense	8	**(6,181,806)**	*(7,047,844)*
Other finance income		**(42,849)**	*(259,049)*
(Loss)/profit before tax		**(2,676,598)**	*7,705,712*
Tax expense	10	**(1,023,234)**	*(474,657)*
(Loss)/profit for the year		**(3,699,832)**	*7,231,055*
Total comprehensive income		**(3,699,832)**	*7,231,055*

The notes on pages 21 to 44 form part of these financial statements.

CARE TREE HOLDING LTD
REGISTERED NUMBER: 11493243

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	**2024**	*2023*
		£	*£*
Assets			
Non-current assets			
Property, plant and equipment	11	**33,289,149**	*34,603,323*
Goodwill	12	**87,324,567**	*88,022,020*
		120,613,716	*122,625,343*
Current assets	15		
Contract assets	15	**335,397**	*378,246*
Trade and other receivables	14	**1,897,758**	*3,457,690*
Cash and cash equivalents		**5,950,181**	*4,849,031*
		8,183,336	*8,684,967*
Total assets		**128,797,052**	*131,310,310*
Liabilities			
Non-current liabilities			
Loans and borrowings	17	**48,358,965**	*51,583,309*
Deferred tax liability	10	**324,469**	*8,306*
Current liabilities			
Trade and other liabilities	16	**9,784,895**	*8,546,042*
Loans and borrowings	17	**22,980,220**	*20,124,318*
Total liabilities		**81,448,549**	*80,261,975*
Net assets		**47,348,503**	*51,048,335*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	**2024** £	*2023* £
Issued capital and reserves attributable to owners of the parent			
Share capital	18	**54,204,200**	*54,204,200*
Retained earnings		**(6,855,697)**	*(3,155,865)*
TOTAL EQUITY		**47,348,503**	*51,048,335*

The financial statements on pages 1 to 44 were approved and authorised for issue by the board of directors and were signed on its behalf by:

....
A C De Changy
Director

Date: 18 June 2025

The notes on pages 21 to 44 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Assets			
Non-current assets			
Other non-current investments		**48,000,000**	*48,000,000*
Current assets	15		
Trade and other receivables	14	**21,630,370**	*21,630,370*
Cash and cash equivalents		**13,069**	*68,523*
		21,643,439	*21,698,893*
Total assets		**69,643,439**	*69,698,893*
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	16	**687,566**	*150,242*
Loans and borrowings	17	**20,547,575**	*18,000,000*
		21,235,141	*18,150,242*
Total liabilities		**21,235,141**	*18,150,242*
Net assets		**48,408,298**	*51,548,651*

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Issued capital and reserves attributable to owners of the parent			
Share capital	18	**54,204,200**	*54,204,200*
Retained earnings		**(5,795,902)**	*(2,655,549)*
TOTAL EQUITY		**48,408,298**	*51,548,651*

The Company's loss for the year was £3,140,353 (2023 - £421,084).

The financial statements on pages 1 to 44 were approved and authorised for issue by the board of directors and were signed on its behalf by:

....
A C De Changy
Director

Date: 18 June 2025

The notes on pages 21 to 44 form part of these financial statements.

CARE TREE HOLDING LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Retained earnings	Total attributable to equity holders of parent	Total equity
	£	£	£	£
At 1 January 2023	25,000,900	(10,386,920)	14,613,980	14,613,980
Comprehensive income for the year				
Profit for the year	-	7,231,055	7,231,055	7,231,055
Total comprehensive income for the year	-	7,231,055	7,231,055	7,231,055
Contributions by and distributions to owners				
Issue of share capital	29,203,300	-	29,203,300	29,203,300
Total contributions by and distributions to owners	29,203,300	-	29,203,300	29,203,300
At 31 December 2023	**54,204,200**	**(3,155,865)**	**51,048,335**	**51,048,335**
At 1 January 2024	54,204,200	(3,155,865)	51,048,335	51,048,335
Comprehensive income for the year				
Loss for the year	-	(3,699,832)	(3,699,832)	(3,699,832)
Total comprehensive income for the year	-	(3,699,832)	(3,699,832)	(3,699,832)
Contributions by and distributions to owners				
At 31 December 2024	**54,204,200**	**(6,855,697)**	**47,348,503**	**47,348,503**

The notes on pages 21 to 44 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2023	25,000,900	(2,234,465)	22,766,435
Loss for the year			
Loss for the year	-	(421,084)	(421,084)
Total comprehensive income for the year	-	(421,084)	(421,084)
Contributions by and distributions to owners			
Issue of share capital	29,203,300	-	29,203,300
Total contributions by and distributions to owners	29,203,300	-	29,203,300
At 31 December 2023	**54,204,200**	**(2,655,549)**	**51,548,651**
At 1 January 2024	54,204,200	(2,655,549)	51,548,651
Comprehensive income for the year			
Loss for the year	-	(3,140,353)	(3,140,353)
Total comprehensive income for the year	-	(3,140,353)	(3,140,353)
Contributions by and distributions to owners			
At 31 December 2024	**54,204,200**	**(5,795,902)**	**48,408,298**

The notes on pages 21 to 44 form part of these financial statements.

CARE TREE HOLDING LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	*2023* *£*
Cash flows from operating activities			
(Loss)/profit for the year		**(3,699,832)**	*7,231,055*
Adjustments for			
Depreciation of property, plant and equipment	11	**1,955,815**	*1,564,889*
Impairment of property, plant and equipment	11	**590,333**	*-*
Impairment losses on intangible assets		**697,453**	*550,000*
Finance income	8	**-**	*(359)*
Finance expense	8	**6,181,806**	*7,306,893*
Loss on sale of property, plant and equipment		**330,941**	*415,077*
Income tax expense	10	**1,023,234**	*474,657*
		7,079,750	*17,542,212*
Movements in working capital:			
Decrease/(increase) in trade and other receivables		**1,559,932**	*(954,959)*
Decrease in contract assets		**42,849**	*259,049*
Increase in trade and other payables		**3,239,831**	*18,576,982*
Cash generated from operations		**11,922,362**	*35,423,284*
Income taxes paid		**(160,474)**	*(1,055,605)*
Net cash from operating activities		**11,761,888**	*34,367,679*
Cash flows from investing activities			
Purchases of property, plant and equipment		**(3,402,915)**	*(2,820,220)*
Sale of property, plant and equipment		**1,840,000**	*175,852*
Interest received		**-**	*359*
Net cash used in investing activities		**(1,562,915)**	*(2,644,009)*
Cash flows from financing activities			
Issue of ordinary shares		**-**	*29,203,300*
Repayment of bank borrowings		**(2,916,017)**	*(58,293,823)*
Payments of finance lease creditors		**-**	*(1,314)*
Interest paid		**(6,181,806)**	*(7,306,893)*
Net cash used in financing activities		**(9,097,823)**	*(36,398,730)*
Net increase/(decrease) in cash and cash equivalents		**1,101,150**	*(4,675,060)*
Cash and cash equivalents at the beginning of year		**4,849,031**	*9,524,091*
Cash and cash equivalents at the end of the year		**5,950,181**	*4,849,031*

1. Basis of preparation

Care Tree Holding Ltd (the 'Company') is a private company, limited by shares, registered in England and Wales. The company's registered office is disclosed on the company information page.
The principal activity of the group is the provision and operation of care facilities.
The presentational and functional currency of the financial statements is the Pound Sterling (£).

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). The Company's individual financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. They were authorised for issue by the Company's board of directors on 18 June 2025.

Details of the Group's accounting policies, including changes during the year, are included in note 2.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 3.

1.1 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain items that are held at fair value and valued at market rate each period (namely Contract assets).

1.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:
• Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
• Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
• Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
• Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

CARE TREE HOLDING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective (continued)

The following amendment is effective for the period beginning 1 January 2025:
• Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the period beginning 1 January 2027:
• IFRS 18 Presentation and Disclosures in Financial Statements
• IFRS 19 Subsidiaries without Public Accountability: Disclosures

The directors anticipate that the adoption of these Standards in future periods may have an impact on the results and net assets of the Company, however, it is too early to quantify this.

2. Accounting policies

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 Goodwill

Goodwill is initially recorded at initial cost and represents the amounts in excess of fair value of assets upon the acquisition of subsidary undertakings. In accordance with IFRS3 the carrying value of goodwill is reviewed on an annual basis for indicators of impairment and provision made and charged to the profit and loss account where necessary.

2. Accounting policies (continued)

2.3 Revenue

Revenue represents the amounts derived from the provision of the groups principal activity of the operation of care home facilities for the disabled and infirmed in the UK.
Revenue is recognised in the financial statements on the basis of room occupation on a daily basis.
Revenue is billed on a weekly and monthly basis and standard credit terms of 1 month from the date of billing are applied to all customers.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2.4 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2. Accounting policies (continued)

2.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold property	2% on cost of buildings
Long-term leasehold property	2% on cost of buildings
Plant and machinery	25% on reducing balance
Motor vehicles	25% on reducing balance
Fixtures and fittings	20% on reducing balance
Computer equipment	25% on reducing balance
Improvements to property	20% on cost, 2% on cost and 4/5 years straight line

2.7 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; and

2. Accounting policies (continued)

2.7 Financial assets (continued)

Classification of financial assets (continued)

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see Financial assets at FVTPL).

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity instrument that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see note). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'fair value gains/losses' line item. Fair value is determined in the manner described in note 20.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised costs or at FVOCI, lease receivables, amounts due from customers under contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, amounts due from customers under contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2. Accounting policies (continued)

2.8 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see note). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'fair value gains/losses' line item.

2. Accounting policies (continued)

2.8 Financial liabilities and equity instruments (continued)

(iii) Financial liabilities (continued)

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in note 20.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. Critical accounting judgements and key sources of estimation uncertainty

Management make estimates and assumptions concerning the future. The resulting accounting estimates and judgements by definition, seldom equal the related actual results.
In the course of preparing financial statements, management have made significant judgements and estimates that can have an impact on the financial statements. The most critical of these relate to estimation of the useful economic lives of and impairment of assets.
In particular management have considered the impact of IFRS16 Leases regarding motor vehicles and property.
For Motor Vehicles, management are of the opinion that monthly rentals be charged to the statement of comprehensive income as they are due and have not recognised a "right to use" asset on the basis any adjustment for this financial period and prior periods would be immaterial.
For Properties, management are of the opinion that where the parent entity and owner of the property is directing the use of the asset as a care facility, then no "right to use" asset exists, as such, there is no lease to recognise under IFRS16.
On a group level, the estimation around valuation of goodwill is reviewed on an annual basis, and if indicators exist an impairment is made to the figure.
On a company level, the estimation around valuation of investments in subsidiaries is reviewed on a regular basis, and if indicators exist an impairment is made to the figure.

4. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2024	*2023*
	£	*£*
Provision of care services	**39,374,544**	*37,718,677*
Other income	**6,760**	-
	39,381,304	*37,718,677*

All turnover arose within the United Kingdom.

5. Other operating income

	2024	2023
	£	£
Other operating income	**732,937**	*832,022*
Exceptional income - Damages award	**-**	*8,602,423*
Exceptional income - Reimbursement of legal costs	**-**	*1,940,000*
Exceptional income - Interest award	**-**	*1,082,314*
	732,937	*12,456,759*

Upon the conclusion of the legal hearing over the investment in Hollingwood Care Group, the above amounts were awarded. The Directors took the decision to impair the investment upon the commencement of the legal proceedings, which was recognised in the prior period.

6. Operating profit

The operating profit is stated after charging:

	2024	2023
	£	£
Depreciation of property, plant and equipment	**1,994,875**	*1,564,889*
Auditors' remuneration	**106,700**	*99,150*

7. Employee benefit expenses

Group

	2024	*As restated 2023*
	£	*£*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**20,615,288**	*19,590,323*
National insurance	**1,921,570**	*1,785,482*
Defined contribution pension cost	**504,855**	*434,904*
	23,041,713	*21,810,709*

The prior year figures have been restated due to agency wages being previously included in this figure. These have been reclassified to subcontract labour. This has no effect on profit or cost of sales.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the CEO and the CFO, who are also statutory directors of the subsidiary companies.

	2024	*2023*
	£	*£*
Salary	**598,871**	*774,929*
Defined contribution scheme costs	**93,770**	*32,129*
	692,641	*807,058*

During the year retirement benefits were accruing to 2 directors (2023 - 5) in respect of defined contribution pension schemes.
The highest paid director received remuneration of £220,000 (2023 - £200,000).
The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,504 (2023 - 25,770).

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2024	*2023*
	No.	*No.*
Employees	**819**	*812*
Directors	**4**	*4*
	823	*816*

8. Finance income and expense

Recognised in profit or loss

	2024 £	*2023* *£*
Other interest receivable	-	*359*
Total finance income	-	*359*
Finance expense		
Bank interest payable	3,048,245	*6,729,726*
Other loan interest payable	3,133,561	*318,118*
Total finance expense	6,181,806	*7,047,844*
Net finance expense recognised in profit or loss	(6,181,806)	*(7,047,485)*

9. Auditor's remuneration

During the year, the Group obtained the following services from the Group's auditor and its associates:

	2024 £	*2023* *£*
Fees payable to the auditors and their associates for the audit of the consolidated and parent Company's financial statements	106,700	*99,150*

Fees payable to the auditors and their associates in respect of:

Taxation compliance services	**33,375**	*31,075*
Other services	**25,750**	*23,925*

10. Tax expense

10.1 Income tax recognised in profit or loss

	2024 £	*2023* *£*
Current tax		
Current tax on profits for the year	**610,141**	*62,464*
Adjustments in respect of prior years	**96,930**	*405,000*
Total current tax	**707,071**	*467,464*
Origination and reversal of timing differences	**54,391**	*7,193*
Adjustments in respect of prior years	**261,772**	-
Total deferred tax	**316,163**	*7,193*
Total tax expense		
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	**1,023,234**	*474,657*
	1,023,234	*474,657*

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2024 £	*2023* *£*
(Loss)/profit for the year	**(3,699,832)**	*7,231,055*
Income tax expense (including income tax on associate, joint venture and discontinued operations)	**1,023,234**	*474,657*
(Loss)/profit before income taxes	**(2,676,598)**	*7,705,712*
Tax using the Company's domestic tax rate of 25% (2023:23.52%)	**(669,150)**	*1,812,383*
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	**1,143,939**	*2,425,736*
Capital allowances for the year in excess of depreciation	**250,944**	-
Adjustments to deferred tax charge in respect of prior periods	**261,772**	-
Adjustments to tax charge in respect of prior periods	**96,930**	*405,000*
Movement in deferred tax not recognised	**(65,482)**	-
Non-taxable income	**(174,363)**	*(4,096,000)*
Unrelieved tax losses carried forward	**-**	*141*
Other differences leading to an increase/(decrease) in the tax charge	**178,644**	*7,193*
Group relief	**-**	*(79,796)*
Total tax expense	**1,023,234**	*474,657*

10. Tax expense (continued)

10.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2024	*2023*
	£	*£*
Deferred tax liabilities	**(324,469)**	*(8,306)*
	(324,469)	*(8,306)*

11. Property, plant and equipment

Group

	Freehold property	**Long-term leasehold property**	**Plant and machinery**	**Motor vehicles**	**Fixtures and fittings**
	£	**£**	**£**	**£**	**£**
Cost or valuation					
At 1 January 2023	15,229,490	19,548,984	38,514	287,310	241,814
Additions	219,360	-	-	65,756	897,045
Disposals	(507,200)	-	-	(6,585)	(196,079)
At 31 December 2023	14,941,650	19,548,984	38,514	346,481	942,780
Additions	562,638	(289,678)	-	7,961	858,674
Disposals	(2,210,054)	-	-	-	-
Revaluations	(590,333)	-	-	-	-
At 31 December 2024	**12,703,901**	**19,259,306**	**38,514**	**354,442**	**1,801,454**

11. Property, plant and equipment (continued)

	Computer equipment	Other property, plant and equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2023	1,392	4,347,644	39,695,148
Additions	-	1,638,059	2,820,220
Disposals	-	-	(709,864)
At 31 December 2023	1,392	5,985,703	41,805,504
Additions	-	2,263,320	3,402,915
Disposals	-	(1,008,220)	(3,218,274)
Revaluations	-	-	(590,333)
At 31 December 2024	**1,392**	**7,240,803**	**41,399,812**

	Freehold property	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings
	£	£	£	£	£
Accumulated depreciation and impairment					
At 1 January 2023	529,756	1,717,104	33,864	145,845	6,213
Charge owned for the year	298,275	384,741	1,208	50,966	265,924
Disposals	(52,726)	-	-	(5,761)	(60,448)
At 31 December 2023	775,305	2,101,845	35,072	191,050	211,689
Charge owned for the year	336,364	496,108	906	40,185	205,187
Disposals	(109,904)	-	-	-	-
At 31 December 2024	**1,001,765**	**2,597,953**	**35,978**	**231,235**	**416,876**
Net book value					
At 1 January 2023	14,699,734	17,831,880	4,650	141,465	235,601
At 31 December 2023	14,166,345	17,447,139	3,442	155,431	731,091
At 31 December 2024	11,702,136	16,661,353	2,536	123,207	1,384,578

11. Property, plant and equipment (continued)

	Computer equipment	Other property, plant and equipment	Total
	£	£	£
Accumulated depreciation and impairment			
At 1 January 2023	1,392	3,322,053	5,756,227
Charge owned for the year	-	563,775	1,564,889
Disposals	-	-	(118,935)
At 31 December 2023	1,392	3,885,828	7,202,181
Charge owned for the year	-	877,065	1,955,815
Disposals	-	(937,429)	(1,047,333)
At 31 December 2024	**1,392**	**3,825,464**	**8,110,663**
Net book value			
At 1 January 2023	-	1,025,591	33,938,921
At 31 December 2023	-	2,099,875	34,603,323
At 31 December 2024	-	3,415,339	33,289,149

CARE TREE HOLDING LTD

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12. Goodwill

Group

	2024	*2023*
	£	*£*
Cost	**100,645,613**	*100,645,613*
Accumulated impairment	**(13,321,046)**	*(12,623,593)*
	87,324,567	*88,022,020*

	2024	*2023*
	£	*£*
Cost		
At 1 January	**100,645,613**	*100,645,613*
At 31 December	**100,645,613**	*100,645,613*
Accumulated impairment		
At 1 January	**12,623,593**	*12,073,593*
Impairment charge	**697,453**	*550,000*
At 31 December	**13,321,046**	*12,623,593*

13. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Proportion of ownership interest and voting power held by the Group (%) 2024	2023
1) Care Tree Invest Limited	100	100
2) Milewood (Holdings) Ltd	100	100
3) Milewood Healthcare Ltd	100	100
4) Care Network Solutions Limited	100	100
5) Care Tree Invest 2 Ltd	100	100
6) Hollingwood Care Home Limited	100	100
7) Elmcare Limited	100	100
8) Whitwell Park Care Limited	100	100
9) Amber Care (East Anglia) Limited	100	100
10) Walton Lodge Limited	100	100
11) MGB Care Home Limited	100	100
12) Care Tree Midco Limited	100	100

All subsidiaries are incorporated and domiciled in England and Wales. All of the subsidiaries have a registered office address at 1st Floor, 1 Lakeside, Headlands Business Park, Salisbury Road, Blashford Ringwood, BH24 3PB.

Company

	Note	2024 £	*2023 £*
Investments in subsidiary companies	13	**48,000,000**	*48,000,000*
		48,000,000	*48,000,000*

14. Trade and other receivables

Group

	2024	*2023*
	£	*£*
Trade receivables	**1,246,689**	*1,406,003*
Trade receivables - net	**1,246,689**	*1,406,003*
Receivables from related parties	**40,941**	*40,940*
Total financial assets other than cash and cash equivalents classified as loans and receivables	**1,287,630**	*1,446,943*
Prepayments and accrued income	**401,113**	*70,129*
Grants receivable	**(24,866)**	*(21,608)*
Other receivables	**233,881**	*1,962,226*
Total trade and other receivables	**1,897,758**	*3,457,690*
Total current portion	**(1,897,758)**	*(3,457,690)*

Company

	2024	*2023*
	£	*£*
Receivables from related parties	**21,630,370**	*21,630,370*
Total financial assets other than cash and cash equivalents classified as loans and receivables	**21,630,370**	*21,630,370*
Total current portion	**(21,630,370)**	*(21,630,370)*

Balances with group undertakings are on demand and carry no interest or repayment terms.

15. Contract assets

Group

	2024	2023
	£	£
Balance at 1 January	**378,246**	*637,295*
New contract assets	**170,477**	-
Increases / (decreases) as a result of changes in fair value	**(213,326)**	*(259,049)*
Balance at 31 December	**335,397**	*378,246*

Contract assets relate to two products:
1) an interest rate cap that was set up on the inception of the loan with the bank in Care Tree Invest 2 Ltd. The interest rate on the banking facility is set at SONIA + 5%, whilst the product taken out, caps the SONIA measure.
This product will terminate on 01 September 2025.
The movement during the year relates to the change in fair value of the interest rate cap.
2) an interest rate swap that was set up on inception of the loan with the bank in Care Tree Inves Ltd. The fixed rate payable on the product taken out is 3.98%. The floating rate receivable on the product is SONIA.
This product will terminate on 31 March 2027.

16. Trade and other payables

Group

	2024	*2023*
	£	*£*
Trade payables	**1,151,954**	*1,036,708*
Payables to related parties	**5,047,496**	*5,048,026*
Other payables	**1,130,467**	*992,926*
Accruals	**1,172,656**	*889,037*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**8,502,573**	*7,966,697*
Other payables - tax and social security payments	**1,054,063**	*579,345*
Deferred income	**228,259**	-
Total trade and other payables	**9,784,895**	*8,546,042*
Less: current portion - trade payables	**(1,151,954)**	*(1,036,708)*
Less: current portion - payables to related parties	**(5,047,496)**	*(5,048,026)*
Less: current portion - other payables	**(2,184,530)**	*(1,572,271)*
Less: current portion - accruals	**(1,172,656)**	*(889,037)*
Less: current portion - deferred income	**(228,259)**	-
Total current portion	**(9,784,895)**	*(8,546,042)*

Company

	2024	*2023*
	£	*£*
Trade payables	**5,073**	*53,735*
Payables to related parties	**47,500**	*47,500*
Accruals	**634,993**	*49,007*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**687,566**	*150,242*
Total current portion	**(687,566)**	*(150,242)*

Balances with group undertakings are on demand and carry no interest or repayment terms.

17. Loans and borrowings

Group

	2024 £	2023 £
Non-current		
Bank loans - secured	**35,178,341**	*38,391,926*
Bank loans - unsecured	**13,180,624**	*13,191,383*
Current		
Bank loans - secured	**2,422,000**	*2,114,000*
Bank loans - unsecured	**10,645**	*10,318*
Redeemable preference shares	**20,547,575**	*18,000,000*
Total loans and borrowings	**71,339,185**	*71,707,627*

The bank loan in Care Tree Invest Limited is repayable in quarterly instalments of £425,000 up to 31 December 2025, £510,000 on 31 March 2026, £646,000 on 30 June 2026 and then £680,000 from 30 September 2026. nterest is charged quarterly at the percentage rate per annum which is calculated as the aggregate of the margin (2.6%) and the compounded reference rate. The compounded reference rate is derived from compounding SONIA over a single day.
The bank loan in Care Tree Invest 2 Ltd is repayable in quarterly instalments at 1.25% of the original loan amount. Interest is charged quarterly at SONIA + 5%. The remaining outstanding balance was settled in March 2025.
The other loan in Care Tree Invest Ltd is repayable in quarterly instalments of £94,273. Interest is charged quarterly at the effective interest rate of 3.16% per annum. The loan is due for repayment in full on 3 September 2143.
The other loan in Milewood (Holdings) Ltd loan is repayable in quarterly instalments of £12,557. Interest is charged quarterly at the effective interest rate of 3.16% per annum. The loan is due for repayment in full on 3 September 2143.
The details of the shares classed as a liability can be found in note 18 - share capital.

18. Share capital

Authorised

	2024 Number	2024 £	2023 Number	2023 £
Shares treated as equity				
Ordinary shares of £2,500.00 each	**21,681**	**54,202,500**	*21,681*	*54,202,500*
Ordinary A shares shares of £1.00 each	**900**	**900**	*900*	*900*
Ordinary B shares shares of £1.00 each	**200**	**200**	*200*	*200*
Ordinary C shares shares of £1.00 each	**600**	**600**	*600*	*600*
	23,381	**54,204,200**	*23,381*	*54,204,200*
Shares treated as liability				
Redeemable preference shares shares of £1.00 each	**18,000,000**	**18,000,000**	*18,000,000*	*18,000,000*
	18,000,000	**18,000,000**	*18,000,000*	*18,000,000*

Issued and fully paid

	2024 Number	2024 £	2023 Number	2023 £
Ordinary shares of £2,500.00 each				

At 1 January and 31 December	**21,681**	**54,202,500**	*21,681*	*54,202,500*

	2024	2024	*2023*	*2023*
	Number	**£**	*Number*	*£*
Ordinary A shares shares of £1.00 each				
At 1 January and 31 December	**900**	**900**	*900*	*900*

	2024	2024	*2023*	*2023*
	Number	**£**	*Number*	*£*
Ordinary B shares shares of £1.00 each				
At 1 January and 31 December	**200**	**200**	*200*	*200*

18. Share capital (continued)

	2024 Number	**2024 £**	*2023 Number*	*2023 £*
Ordinary C shares shares of £1.00 each				
At 1 January and 31 December	**600**	**600**	*600*	*600*

	2024 Number	**2024 £**	*2023 Number*	*2023 £*
Preference shares shares of £1.00 each				
At 1 January and 31 December	**18,000,000**	**18,000,000**	*18,000,000*	*18,000,000*

19. Reserves

Retained earnings

This reserve records retained earnings and accumulated losses.

20. Financial instruments - fair values and risk management

20.1 Price risk management

Price risk is the associated risk that revenue contracts may not be profitable for the business. The company’s revenue is based mainly on the services provided to local authorities, NHS and CCG. Annual increases of inflation and National Minimum Wage (NMW) can directly impact profitability if not met by corresponding revenue increases. It is expected that a regular increases in the NMW rate will significantly impact the wage cost in the care sector, however annual increases received from local authorities are not always in line with these cost increases. In order to mitigate this risk the directors implement strict cost controls to keep the business profitable despite these factors.

20.2 Interest rate risk management

The Group is exposed to interest rate risk because the entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

20.3 Credit risk management

Credit risk is the risk that customers may default on payments due to the Company. The majority of income is driven from Local authorities and the NHS, with only a small number of service users being privately funded. There is a minimal credit risk as the Company does not place significant reliance on these users, as such the directors do not deem this to be a significant risk.

21. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. Events after the reporting date

Group

After the reporting date, the Group approved a plan to transfer all of the trade and operations of Care Tree Invest 2 Ltd to Care Tree Invest Ltd. This includes the transfer of all trade and operations of all subsidiaries under Care Tree Invest 2 to a fellow subsidiary of Care Tree Invest Ltd, Walton Lodge Limited. The planned transfer is expected to take place during the year ending 31 December 2025.
Borrowings held in Care Tree Invest 2 Ltd were repaid in full in March 2025 as part of the plan to restructure the group. This was refinanced into Care Tree Invest Limited in March 2025. The loan taken out was for £5,500,000.
In March 2025, a bungalow was purchased for £192,250 by Care Tree Invest Limited.
In April 2025, 2 bungalows were purchased for £190,000 and £194,000 respectively by Care Tree Invest Limited.
In April 2025, one of the properties held within Care Tree Invest Limited, Avon Lodge, was sold for £1,200,000.
In May 2025, a detached house, Neville Lodge, was purchased for £890,000 by Care Tree Invest Limited.
On 17 April 2025, Care Tree Invest Ltd acquired MC Independent Care Initiatives Limited for a share purchase price of £200,000. They also purchased the property at Albion Terrace for £500,000.
Company
On 26 February 2025, Care Tree Holding allotted 300 ordinary C shares at a price of £1 per share, leading to an increase in share capital of £300. The shares were fully paid on allotment.