Registration number: 10113769

GIBSON TOPCO LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Contents

GIBSON TOPCO LIMITED

Company Information

Directors	I J Anderson T J W Ashlin J L Balmer Z D Tsai J H Sage
Registered office	Lambwood Heights 244 Lambourne Road Chigwell IG7 6HX
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

GIBSON TOPCO LIMITED

Strategic Report for the Year Ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

Principal activity

The principal activity of the company is is as a holding company. The principal activity of the Group is the operation of homes for the residential, nursing and specialist elderly care market sector as well as acquiring land and developing new build care homes to operate. This is carried out through the operating companies in the Group.

Fair review of the business

The results for the year which are set out in the profit and loss account show turnover of £41,993,000 (2022 - £25,523,000) and an operating profit of £802,000 (2022 as restated - loss of £811,000). At 31 December 2023 the group had net assets of £18,674,000 (2022 as restated - £19,497,000). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

The group's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2023	2022
Turnover	£'000	41,993	25,523
EBITDA	£'000	3,349	5
Average weekly fees	£ per week	1,607	1,465
Direct wages percentage of turnover	%	60	56

The year under review has been marked by significant growth, both organically as well as through land acquisitions and property development. Two of our newest facilities, Birchwood Heights and Maplewood Court, which opened in 2022, continue to scale well. These facilities have not only achieved steady growth in occupancy rates but have also consistently received positive feedback from residents and their families, reflecting our commitment to high-quality care and services.

Building on this success, Hyllden Heights, which commenced operations in April 2023, has experienced very robust growth. Within a short span, Hyllden Heights has surpassed initial expectations in terms of both occupancy and revenue generation. This rapid uptake highlights the strong market demand and the trust that our brand has garnered in delivering exceptional premium care services in the UK.

The performance of these facilities reaffirms our strategic vision of expanding our footprint in the premium care services sector. We remain focused on maintaining high standards of care, investing in our staff, and continuously improving our service offerings to meet the evolving needs of our residents.

The company continues to grow organically as well as through land acquisition and property development. Whilst we aim to improve efficiency in all areas of our operations, we are driven to providing our current and future residents with high-quality person-centred care and this remains a top priority for the Directors and business.

Our outlook remains positive as we continue to identify and capitalize on growth opportunities, ensuring sustainable development and long-term value creation for our stakeholders.

During the year one of the trading homes was visited by the Care Quality Commission (“CQC”). This received an overall rating of 'good'.

The Group achieved external validation of their high standards of service winning the Residential Provider of the Year Small Group at the prestigious Health Investor Awards. This followed four of the Group’s care homes featuring in the Knight Frank luxury care home guide with Birchwood Heights, Maplewood Court, Hyllden Heights and Elsyng House included for 2023. This highly respected guide lists the top 100 luxury care homes from across the UK.

Additionally, Elsyng House was named as one of the top 20 Care Homes in London by carehome.co.uk with Maplewood Court named amongst the top 20 Care Homes in the South East.

Individual awards were earned by the Group Chief Executive winning recognition at the Health Investor Power 50 awards as ESG Champion for work undertaken on sustainability. This followed success in 2023 with accolades for the Green World Award Bronze in 2023 and Silver in 2024 plus attainment of Green Mark Level 3 and Carbon Neutral - being the only Care Home group for the third year running.

Additionally, the Group was successful winning the Investors in People UK Employer of the Year Gold Award and a Top Employer 2023.

The Group continues to prioritise its green strategy and to develop environmentally friendly and sustainable care homes for the future.

In 2023 Oakland Care won an award under the Green World Awards. These global awards are open to all sectors and the Group's award was the first and only Care Home group globally to have achieved an award. With this the Group will become Green World Ambassador's sharing best practice with other businesses throughout the world by featuring in 'The Green Book'.

The Group attained its Level 3 Greenmark award in the year, having secured top marks in all the assessment categories. The Greenmark assessors praised our holistic approach, vision, dedication and development over the 3 years since we attained our Level 1 Greenmark award.

A Green Committee, which incorporates staff across all homes, meets regularly and a report on progress and latest initiatives is provided each month to the Board.

Principal risks and uncertainties

The principal business risks and uncertainties facing the Group are broadly grouped into categories as below.

Regulation compliance
The business closely monitors any updates to the sector's regulations and compliance to ensure it meets all requirements. The frequency of regulatory visits from the CQC continues to be uncertain and lower than pre-pandemic. The Directors ensure that qualified and experienced personnel are employed and that staff are continuously trained to provide quality care and services to the residents. The business is confident that the internal processes and practices will ensure ongoing compliance throughout any changes in the regulatory environment.

Treasury operations and financial instruments
The primary financial instruments are bank loans, intercompany loans, deposits, trade debtors, trade creditors and shareholder's funds. These arise directly from the Group's trading operations and shareholder's support and are regularly reviewed to ensure the Group is not overexposed.

Liquidity and credit risk
The principal financial assets are real estate, bank balances and cash, which represent the Group's maximum exposure to credit risk in relation to financial assets. The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

A multi-year hedge facility protecting against movements in interest rates was put in place in 2022 and extended in 2023 to ensure the full debt exposure under variable interest rate debt is covered protecting the Group from increases in interest rates.

Planning processes
As an investor and developer of land, the Group is subject to navigating the planning system which with delays, inefficiencies and bureaucratic hurdles is inefficient and slow. The impact of this delays the ability of the Group to scale with delayed revenue generation and cost overruns. The recent Labour election success has included a commitment to improve the efficiency of planning processes which is welcomed with a strategic certainty enabling the business more easily to commit to long-term investments.

Potential risk
Due to the nature of the business the Directors have assessed that there will be little or no impact on the future activities of the company as a result of Brexit. The Directors continue to monitor developments in relation to Brexit.

Cost of living crisis
The recent UK general election has resulted in a Labour government, bringing a period of settled politics following years of turbulence under the Conservative administration.

One of the major issues leading up to the election was the cost-of-living crisis. Rising inflation, increasing energy prices, and stagnant wages have put considerable pressure on households across the UK.

The Labour party has made addressing this crisis a central part of their agenda, with commitments to various economic and social measures designed to alleviate the financial burden on citizens. These include raising the Real Living Wage to ensure wages keep pace with the actual cost of living.

The Group is supportive of such measures and pays the Real Living Wage across its estate. To meet the increase in costs arising from this, the Group will need to consider its pricing strategies, continue to focus on efficiency improvements and to ensure it optimises processes to prevent the limit the burden of additional costs being passed directly to residents.

Coronavirus Pandemic
The protection of our residents and team members is our key priority and the business moved decisively throughout the Coronavirus pandemic by putting in place safeguarding measures to ensure their ongoing protection. The Group has continued to ensure it is well positioned to manage any ongoing challenges which may arise. At the date of signing this report, the Board do not consider that the economic impact of the Coronavirus will have a significant impact on the financial statements or on the long-term prospects of the business.

Engagement with employees

Annual survey and staff awards
The Group undertakes an annual staff engagement survey with a Group and individual care homes action plans determined from the feedback and addressed.

At the start of 2023 the Group held the inaugural Oakland Care staff awards recognising the great efforts of the teams across multiple categories. The nominees were selected by their peers and voted for using the internal staff communication application with the award ceremony following recognising the winners. This exercise was then repeated in early 2024 with a further expansion of the annual awards.

Employee performance
The Directors have implemented and maintained multiple approaches to encourage employee performance, including: the new internal awards ceremonies, long service awards; spot rewards; quarterly performance reviews, talent reviews and external salary benchmarking.

Top Employers and Investors in People accreditations
The Group’s policies and practices for managing employees was externally assessed resulting in the Group being published in the Top Employers list. This recognises the Group’s high standards of HR and People practices. The Group now joins more than 1,600 top employers in 120 countries across five continents.

In 2023 the Group achieved recognition with a Gold Award Status accreditation from Investors in People acknowledging the strong support provided to our employees.

Engagement with suppliers, customers and other relationships

The Group seeks to foster long term relationships with key suppliers and undertake regular review meetings to ensure good working practices are adhered to.

In early 2023, the Group completed its annual resident and relative survey which resulted in positive feedback in all areas. An action plan is now in place to further improve our quality of service.

In 2023 the Group launched the Care2Share podcasts series providing tips on mental health and well-being as well as providing insights into the operations of Oakland Care.

The group also held supplier forums with key suppliers in 2023 to bring stakeholders together to share best practice related to sustainability.

Throughout the Coronavirus pandemic extensive written communication was shared with customers, being residents and their relatives. In addition, numerous Zoom meetings were held between relatives and the Chief Executive to ensure they received all information about the Group’s approach to the pandemic.

Strategic Report for the Year Ended 31 December 2023

Section 172(1) statement

The directors of the Company must act in accordance with the duties detailed in section 172 of the Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) The likely consequences of any decision in the long term;
b) The interest of the company’s employees;
c) The need to foster the company’s business relationships with suppliers, customers and others;
d) The impact of the company’s operations on the community and the environment;
e) The desirability of the company maintaining a reputation for high standards of business conduct; and
f) The need to act fairly as between members of the company.

These items are addressed within the Strategic Report and Directors' Report for the period under review.

Approved by the Board on 31 July 2024 and signed on its behalf by:

J H Sage
Director

Directors' Report for the Year Ended 31 December 2023

The directors present their report and the for the year ended 31 December 2023.

Directors of the company

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

I J Anderson

T J W Ashlin

J L Balmer

Z D Tsai

J H Sage

Employee involvement

It is the Group's policy to give full and fair consideration to applications from people with disabilities, having regard to their particular aptitudes and abilities. If an employee becomes disabled, the company's objective is the continued provision of suitable employment, either in the same or an alternative position, with appropriate training being given if necessary. Employees with disabilities share in equal opportunities for training, promotion and career development.

The Groups approach to employing team members with disabilities has been externally assessed resulting in being awarded “disability confident” accreditation.

Employment of disabled persons

The Group values communication between management and employees on all matters affecting the welfare of the business. Consultation with the employees occurred on multiple matters including: Group branding; Group mission vision and values; uniform selection; employee benefits; and the naming of new developments.

Regular management meetings are held between the local management and employees to allow a free flow of information and ideas. Information technology tools including Telegram and Facebook are used to foster good communication amongst the teams. The Directors ensure that employees have access to information that is important to them by providing regular updates and ensuring that important information is available to self-serve via an online information repository.

Future developments

The Directors continue to invest in its legacy care homes Woodland Grove, Hastings Court, Beechwood Grove, Lambwood Heights, Elsyng House and Elmbrook Court to ensure best in class provision of care in a high-quality safe environment. In the prior period the new care homes of Birchwood Heights and Maplewood Court were opened with Hyllden Heights opening at the start of the new financial year. A rolling programme of capital expenditure across all homes is in place to ensure the Group’s high standards are maintained on an ongoing basis.

A number of potential development sites are being actively pursued to maintain significant growth in future years and include a rolling plan of new homes being commissioned and CQC registered each year. The latest site to be acquired was in Harpenden with the land acquired in June 2024. The site is planned to be the first UK net zero care home, which is scheduled to be fully developed and opened in 2026.

Following the successful Green World Awards win and further Greenmark accreditations the Directors plan to progress the environmental and community work undertaken including investigating requirements to construct and operate the first UK net zero care home.

The Directors pay heed to the long-term consequences of their decisions and aim to maintain the operational and management policies which have resulted in the Group’s good performance to date. They anticipate that 2024 will show further growth and progression for the business.

Going concern

The Group’s business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 2 and the Directors’ Report on page 6.

Notwithstanding the fact that the Group has net assets of £18.7 million (2022 - £19.5 million) and made a net loss of £18.5 million (2022 - £10.9 million) the Group and company continue to adopt the going concern basis of accounting in preparing their annual financial statements which the directors consider to be appropriate for the following reasons.

As set out in note 16, the historic financing facility was replaced in August 2022 with a new facility repayable in August 2026. This new facility will support the continued growth of the business for the coming years.

The Group have multiyear cash flow forecasts including a downside scenario reflecting a possible disruption to operations as result of the Coronavirus pandemic. Under all scenarios considered, the Group would be able to operate within its borrowing facilities. The plan shows that the company and the Group are a going concern when considering the trading of the Group and continuation of the Group financing facility.

The Directors are confident having secured the businesses ongoing financing facility that the Going Concern status of the Group will remain strong for the foreseeable future.

Important non adjusting events after the financial period

After the year end, the group increased their HSBC loan facility from £62m up to £70m and have rebranded it to a green loan, reducing the interest by 10 basis points on the whole loan. The increased facility has also been fully drawn down post year end.

In February 2024 the newest care home, Osbern Manor in Gillingham, commenced taking residents and continues to scale up successfully.

In June 2024 the Group completed the purchase of a land site in Harpenden. This was followed in July 2024 by the purchase of a land site in Bracknell. These sites will have constructed on them a new 72 bed Care Home and the country’s first net zero 75 bed Care Home. Both new build Care Homes are scheduled to open in 2026.

Legal Action: Oakland Wantage Care Home Limited v Stepnell Limited
On 9 August 2019, Oakland Wantage Care Home Limited entered a contract with Stepnell Limited for the construction of its care home under a JCT Design and Build Contract.

Following practical completion, disputes arose regarding the final account. Stepnell issued a final account projection on 17 February 2022, claiming £8,547,434. Oakland disputed this claim, suggesting a final account figure of £7,988,593. This disagreement led to a series of adjudications:

- First Adjudication (25 March 2024): Stepnell sought payment of £758,036, as set out in their Contractor's Statement of 9 February 2024. The adjudicator determined that Stepnell’s final account projection was not a Final Statement and that Oakland’s earlier responses were not valid Payment or Pay Less Notices. The adjudicator concluded that the Contractor’s Statement was the relevant final statement but did not perform a true value assessment.
- Second Adjudication (29 May 2024): Oakland initiated a true value assessment. Stepnell challenged the jurisdiction, arguing that Oakland had not disputed the Contractor’s Statement within the period, rendering it conclusive. The adjudicator concluded that Oakland's previous notices and the payment notice issued were sufficient, but ultimately they did not have jurisdiction to determine the matter due to the initial adjudicator’s findings.

Ongoing Legal Proceedings: Oakland will initiate proceedings to clarify the interplay between the legal clauses. If successful, this could lead to further adjudication or proceedings to determine the true value assessment.

Financial Implications: Oakland paid the first adjudicated sum to Stepnell to enable the further legal action, which is being pursued, to resolve the dispute over the final account value and potentially recover amounts paid.

This legal action represents a material post-balance sheet event. The resolution of this dispute may lead to adjustments in the reported figures in the subsequent financial period. Oakland is closely monitoring the situation and seeking legal advice to navigate the complexities of this contractual dispute. The Board remain confident of the position on the matter and will continue to seek a resolution that minimises financial impacts.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 31 July 2024 and signed on its behalf by:

J H Sage
Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Gibson Topco Limited

Opinion

We have audited the financial statements of Gibson Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Gibson Topco Limited

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities set out on page 9, 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 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

• We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
• We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
• We assessed the susceptibility of the company's 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. Detailed analysis of journals posted through the accounting system during the year to 31 December 2023 has been undertaken;
• Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
• Challenging assumptions and judgements made by management in its significant accounting estimates.

A further description of our responsibilities is available 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 Gibson Topco Limited

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.

Simon Worsley (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

31 July 2024

GIBSON TOPCO LIMITED

Consolidated Profit and Loss Account for the Year Ended 31 December 2023

	Note	2023 £ 000	(As restated) 2022 £ 000
Turnover	3	41,993	25,523
Cost of sales		(29,632)	(18,655)
Gross profit		12,361	6,868
Administrative expenses		(11,559)	(7,679)
Operating profit/(loss)	4	802	(811)
Exceptional items	5	(443)	(765)
Operating loss after exceptional items		359	(1,576)
Interest income on bank deposits		148	4
Net changes in fair value of financial instrument		(2,183)	4,863
Interest payable and similar charges	6	(16,818)	(14,173)
Loss before tax		(18,494)	(10,883)
Taxation	10	(5)	-
Loss for the financial year		(18,499)	(10,883)

The notes on pages 19 to 34 form an integral part of these financial statements.

GIBSON TOPCO LIMITED

(Registration number: 10113769)
Consolidated Balance Sheet as at 31 December 2023

	Note	2023 £ 000	(As restated) 2022 £ 000
Fixed assets			
Intangible assets	11	1,206	1,642
Tangible assets	12	215,811	184,510
		217,017	186,152
Current assets			
Debtors	14	7,602	8,587
Inventories		35	35
Cash at bank and in hand		13,107	5,119
		20,744	13,741
Creditors: Amounts falling due within one year	15	(12,683)	(11,274)
Net current assets excluding loans and borrowings		8,061	2,467
Loans and borrowings falling due within one year	16	(63,205)	(55,833)
Net current liabilities		(55,144)	(53,367)
Total assets less current liabilities		161,873	132,785
Creditors: Amounts falling due after more than one year	15	(115,857)	(91,844)
Provisions for liabilities	10	(27,341)	(21,444)
Net assets		18,675	19,497
Capital and reserves			
Called up share capital	18	1	1
Revaluation reserve		81,824	64,147
Profit and loss account		(63,150)	(44,651)
Equity attributable to owners of the company		18,675	19,497
Total equity		18,675	19,497

Approved and authorised by the Board on 31 July 2024 and signed on its behalf by:

J H Sage
Director

(Registration number: 10113769)
Balance Sheet as at 31 December 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Investments	13	9,847	9,847
Current assets			
Debtors: Amounts falling due within one year	14	-	26
Debtors: Amounts falling due after more than one year	14	26,611	25,320
		26,611	25,346
Creditors: Amounts falling due within one year	15	(66,804)	(59,354)
Net current liabilities		(40,193)	(34,008)
Net liabilities		(30,346)	(24,161)
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account		(30,347)	(24,162)
Total equity		(30,346)	(24,161)

The company made a loss after tax for the financial year of £6,185,000 (2022 - loss of £6,335,000).

Approved and authorised by the Board on 31 July 2024 and signed on its behalf by:

J H Sage
Director

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2023
Equity attributable to the parent company

	Share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2023 (As previously stated)	1	64,147	(43,637)	20,511
Prior period adjustment	-	-	(1,014)	(1,014)
At 1 January 2023 (As restated)	1	64,147	(44,651)	19,497
Loss for the year	-	-	(18,499)	(18,499)
Other comprehensive income	-	17,677	-	17,677
At 31 December 2023	1	81,824	(63,150)	18,675

	Share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2022 (As previously stated)	1	42,947	(33,283)	9,665
Prior period adjustment	-	-	(485)	(485)
At 1 January 2022 (As restated)	1	42,947	(33,768)	9,180
Loss for the year (As restated)	-	-	(10,883)	(10,883)
Other comprehensive income	-	21,200		21,200
Total comprehensive income	-	21,200	(10,883)	10,317
At 31 December 2022 (As restated)	1	64,147	(44,651)	19,497

Statement of Changes in Equity for the Year Ended 31 December 2023

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2023	1	(24,162)	(24,161)
Loss for the year	-	(6,185)	(6,185)
At 31 December 2023	1	(30,347)	(30,346)

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	1	(17,827)	(17,826)
Loss for the year	-	(6,335)	(6,335)
At 31 December 2022	1	(24,162)	(24,161)

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 £ 000	(As restated) 2022 £ 000
Cash flows from operating activities			
Loss for the year		(18,499)	(10,883)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	2,547	817
Financial instrument net (gains) / losses through profit and loss		2,183	(4,863)
Finance income		(148)	(4)
Finance costs	6	16,818	14,173
Income tax expense	10	5	-
		2,906	(760)
Working capital adjustments			
Increase in trade debtors	14	(1,200)	(712)
Increase in trade creditors	15	1,381	2,186
Increase in inventories		-	(35)
Cash generated from operations		3,087	679
Income taxes paid	10	-	(1)
Net cash flow from operating activities		3,087	678
Cash flows from investing activities			
Acquisitions of tangible assets		(9,814)	(20,146)
Interest received		148	4
Net cash flows from investing activities		(9,666)	(20,142)
Cash flows from financing activities			
Interest paid		(3,167)	(2,377)
Debt costs paid		(121)	-
Proceeds from bank borrowing draw downs		18,205	17,227
Repayment of bank borrowing		(388)	(227)
Proceeds from issue of shares classified as liabilities		38	17
Net cash flows from financing activities		14,567	14,640
Net increase/(decrease) in cash and cash equivalents		7,988	(4,824)
Cash and cash equivalents at 1 January		5,119	9,943
Cash and cash equivalents at 31 December		13,107	5,119

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Lambwood Heights
244 Lambourne Road
Chigwell
IG7 6HX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £6,185,000 (2022 - loss of £6,335,000).

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder’s share of changes in equity since the date of the combination.

Going concern

The Group’s business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 2 and the Directors’ Report on page 6.

Notwithstanding the fact that the Group has net assets of £18.7 million (2022 - £19.5 million) and made a net loss of £18.5 million (2022 - £10.9 million) the Group and company continue to adopt the going concern basis of accounting in preparing their annual financial statements which the directors consider to be appropriate for the following reasons.

As set out in note 16, the historic financing facility was replaced in August 2022 with a new facility repayable in August 2026. This new facility will support the continued growth of the business for the coming years.

The Group have multiyear cash flow forecasts including a downside scenario reflecting a possible disruption to operations as result of the Coronavirus pandemic. Under all scenarios considered, the Group would be able to operate within its borrowing facilities. The plan shows that the company and the Group are a going concern when considering the trading of the Group and continuation of the Group financing facility.

The Directors are confident having secured the businesses ongoing financing facility that the Going Concern status of the Group will remain strong for the foreseeable future.

Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements
In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

The directors do not consider there to be any key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In preparing the financial statements the directors identified the following other sources of estimation uncertainty:

• Tangible fixed assets (see note 12)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Specifically, the freehold property held in Oakland Enfield Limited, Oakland Swanley Care Home Limited, Oakland Maidstone Care Home Limited, Oakland Wantage Care Home Limited, Loughton Care Centre Limited, Plexcroft Limited and Longprime2 Ltd were judged to have a residual value in excess of historic cost such that no depreciation has been charged to the statement of comprehensive income during the year.

• Goodwill (see note 11) and Investments (see note 13)
Goodwill and investments are reviewed for impairments on an annual basis. The Group determines the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology. The directors do not consider there to be any impairment indicators warranting a write down of goodwill or investments held in group companies.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised.

Revenue from the provision of care home services is recognised in the period in which services are provided, in accordance with the individual residents contract, and if it is probable that the company will receive the consideration under the contract.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Freehold property	nil
Freehold land	nil
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Computer equipment	20% straight line

Freehold property is not depreciated. The company has a regular policy of maintenance and repair on its freehold properties. The director's annually review the carrying value of the freehold properties. The directors consider this to be appropriate on the basis that the residual values of the properties are not materially different to their carrying value and therefore depreciation would be immaterial.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful economic life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 10 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset’s carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Prior period errors

The directors have identified that an element of prior period staff costs relating to care home employees were not included in the period to which they related. The effect of correcting the accruals for these staff costs is shown below.

	Relating to the current period disclosed in these financial statements £ 000	Relating to the prior period disclosed in these financial statements £ 000	Relating to periods before the prior period disclosed in these financial statements £ 000
Increase in cost of sales	310	528	486
Increase in accruals	1,324	1,014	486
Decrease in profit and loss reserve	(1,324)	(1,014)	(486)

Notes to the Financial Statements for the Year Ended 31 December 2023

3 Revenue

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2023 £ 000	2022 £ 000
Rendering of services	41,431	25,151
Other revenue	562	372
	41,993	25,523

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

Arrived at after charging

	2023 £ 000	2022 £ 000
Depreciation expense	2,111	381
Amortisation expense	436	436
Operating lease expense - property	966	861
Operating lease expense - other	7	-

5 Exceptional items

	2023 £ 000	2022 £ 000
Exceptional expenses	441	765

Exceptional items in the current year and prior year predominantly comprise pre-opening care home expenditure and non-recurring staff costs.

6 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Interest on bank overdrafts and borrowings	8,379	6,337
Interest on preference shares	7,412	6,586
Amortisation of debt costs	1,027	1,250
	16,818	14,173

7 Staff costs

Group
The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £ 000	(As restated) 2022 £ 000
Wages and salaries	25,148	15,356
Social security costs	2,277	1,395
Pension costs, defined contribution scheme	665	425
	28,090	17,176

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Administration	44	40
Care staff	903	644
	947	684

Company
The company incurred no staff costs and had no employees other than the directors.

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Directors	5	5

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £ 000	2022 £ 000
Remuneration	609	433
Contributions paid to money purchase schemes	24	34
	633	467

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Received or were entitled to receive shares under long term incentive schemes	5	5
Accruing benefits under money purchase pension scheme	3	3

In respect of the highest paid director:

	2023 £ 000	2022 £ 000
Remuneration	243	229
Company contributions to money purchase pension schemes	9	9

9 Auditors' remuneration

	2023 £ 000	2022 £ 000
Audit of these financial statements	50	50

Other fees to auditors

Taxation compliance services	25	20
All other non-audit services	25	20
	50	40

10 Taxation

Tax charged in the profit and loss account

	2023 £ 000	2022 £ 000
Deferred taxation		
Arising from origination and reversal of timing differences	5	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 23.5% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	(As restated) 2022 £ 000
Loss before tax	(18,494)	(10,883)
Corporation tax at standard rate	(4,349)	(2,068)
Effect of expense not deductible in determining taxable profit (tax loss)	4,138	1,272
Effect of tax losses	(476)	(378)
Tax decrease from effect of capital allowances and depreciation	(84)	(627)
Tax increase from effect of unrelieved tax losses carried forward	776	1,801
Total tax charge	5	-

Deferred tax

Group

Deferred tax assets and liabilities

A deferred tax asset of £4,118,000 (2022 - £3,800,000) has not been recognised, in respect of losses carried forward, as sufficient taxable profits are not forecast in the foreseeable future.

2023	Liability £ 000
Accelerated capital allowances	72
Deferred tax on property revaluation	27,274
Short term timing differences	(5)
	27,341

2022	Liability £ 000
Accelerated capital allowances	67
Deferred tax on property revaluation	21,382
Short term timing differences	(5)

21,444

11 Intangible assets

Group

	Goodwill £ 000
Cost	
At 1 January 2023 and at 31 December 2023	4,357
Amortisation	
At 1 January 2023	2,715
Amortisation charge	436
At 31 December 2023	3,151
Carrying amount	
At 31 December 2023	1,206
At 31 December 2022	1,642

12 Tangible assets

Group

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2023	179,783	6,395	186,178
Additions	8,017	1,827	9,844
Revaluations	23,568	-	23,568
At 31 December 2023	211,368	8,222	219,590
Depreciation			
At 1 January 2023	-	1,668	1,668
Charge for the year	-	2,111	2,111
At 31 December 2023	-	3,779	3,779
Carrying amount			
At 31 December 2023	211,368	4,443	215,811
At 31 December 2022	179,783	4,727	184,510

Certain of the group’s freehold properties relating to already fully operational care homes were revalued during the year with reference to the most recent valuations undertaken by an independent valuer who is a member of RICS. The basis of valuation was full business value, including with regard to trading potential and totalled £197,900,000 (2022 - £161,600,000). The remainder of the group’s freehold properties relating to care homes under development continued to be carried at historical cost.

Included within the net book value of land and buildings above is £200,300,000 (2022 - £179,747,000) in respect of freehold land and buildings. Freehold property includes land of £25,387,000 (2022 - £25,387,000).

13 Investments

Company

	2023 £ 000	2022 £ 000
Investments in subsidiaries	9,847	9,847

Subsidiaries	**£ 000**
Cost and carrying amount	
At 1 January 2023 and at 31 December 2023	9,847

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2023	2022
Subsidiary undertakings				
Gibson Bidco Limited	England and Wales	Ordinary	100%	100%
Gibson Propco Limited	England and Wales	Ordinary	100%	100%
Oakland Primecare Limited	England and Wales	Ordinary	100%	100%
Hastings Court Ltd	England and Wales	Ordinary	100%	100%
Loughton Care Centre Limited	England and Wales	Ordinary	100%	100%
Plexcroft Limited	England and Wales	Ordinary	100%	100%
Lambourne Limited	England and Wales	Ordinary	100%	100%
Ravway Limited	England and Wales	Ordinary	100%	100%
Longprime 2 Ltd	England and Wales	Ordinary	100%	100%
Oakland Wantage Care Home Limited	England and Wales	Ordinary	100%	100%
Oakland Enfield Limited	England and Wales	Ordinary	100%	100%
Oakland Maidstone Care Home Limited	England and Wales	Ordinary	100%	100%
Oakland Swanley Care Home Limited	England and Wales	Ordinary	100%	100%
Oakland Hildenborough Limited	England and Wales	Ordinary	100%	100%
Oakland Central Limited	England and Wales	Ordinary	100%	100%

Oakland Propco A Limited	England and Wales	Ordinary	100%	100%
Oakland Propco B Limited	England and Wales	Ordinary	100%	100%
Oakland Opco B Limited	England and Wales	Ordinary	100%	100%
Oakland Propco 1 Ltd	England and Wales	Ordinary	100%	100%
Oakland Propco 2 Ltd	England and Wales	Ordinary	100%	100%
Oakland Propco 3 Ltd	England and Wales	Ordinary	100%	100%
Oakland Propco 4 Ltd	England and Wales	Ordinary	100%	100%

All of the subsidiaries listed have a registered office of Lambwood Heights, 244 Lambourne Road, Chigwell, United Kingdom, IG7 6HX.

The only subsidiary that is directly owned by Gibson Topco Limited is Gibson Bidco Limited.

The principal activity of Gibson Bidco Limited, Gibson Propco Limited, Oakland Propco A Limited and Oakland Propco B Limited is that of a holding company. The principal activity of Oakland Central Limited is that of a management company. The principal activity of Oakland Primecare Limited, Hastings Court Ltd and Oakland Opco B Limited is that of a care home operator. The principal activity of the other subsidiaries is property investment.

14 Debtors

	Group		Company	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade debtors	1,324	1,111	-	-
Other debtors	2,085	1,234	-	-
Derivative financial instrument	3,147	5,330	-	-
Prepayments and accrued income	1,046	913	-	26
Amounts owed by group undertakings	-	-	26,611	25,320
	7,602	8,587	26,611	25,346
Less non-current portion	-	-	(26,611)	(25,320)
Total current trade and other debtors	7,602	8,587	-	26

Details of non-current trade and other debtors

Company

£26,611,000 (2021 - £25,320,000) of amounts owed by group undertakings is classified as non current. Amounts owed by group undertakings bear interest at 5% (2022 - 1.0525%) and are repayable after more than one year.

15 Creditors

		Group		Company	
	Note	2023 £ 000	(As restated) 2022 £ 000	2023 £ 000	2022 £ 000
Due within one year					
Loans and borrowings	16	63,205	55,833	62,713	55,758
Trade creditors		1,121	1,844	26	26
Social security and other taxes		716	374	-	-
Outstanding defined contribution pension costs		175	165	-	-
Other creditors		4,905	3,992	1,210	1,210
Accrued expenses and deferred income		5,766	4,898	2,855	2,360
		75,888	67,107	66,804	59,354
Due after one year					
Loans and borrowings	16	115,857	91,844	-	-

Included in other creditors are loan notes with a capital balance of £1,200,000 (2022 - £1,200,000). The loan notes accrue interest at 12% per annum. Interest accrued on the loan notes of £1,352,000 (2022 - £1,079,000) and dividends accrued on the D ordinary share of £1,504,000 (2022 - £1,281,000) have been included within accrued expenses.

16 Loans and borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Current loans and borrowings				
Bank borrowings	491	75	-	-
Redeemable preference shares	62,713	55,758	62,713	55,758
	63,204	55,833	62,713	55,758

	Group		Company	
	2023	**2022**	**2023**	**2022**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Non-current loans and borrowings				
Bank borrowings	115,857	91,844	-	-

The bank loans are secured by a debenture over the assets and undertakings of each company in the group.

A refinance took place in the group in August 2021 with the existing HSBC loan being replaced by new five year loans from HSBC and Elevation, a specialist investment manager in the UK healthcare real estate sector.

The HSBC loan is split into 2 facilities. Facility A is a £30,992,000 facility which is fully drawn down and facility B which is a fully drawn down facility of £31,008,000. During the year there was a reallocation of the balances between facilities following a commitment alteration request with the amount outstanding within Facility A as at 31 December 2023 becoming £52,197,000 and Facility B becoming £9,512,000.

The Elevation loan is a £82,050,000 total facility split into 3 facilities being Facility A, Facility B and Facility C depending on the stage of development or maturity of the care home to which the loan relates. The group has drawn down £44,373,000 (2022 - £34,915,000) under Facility C and accrued interest of £5,209,000 (2022 - £3,533,000), £37,281,000 (2022 - £22,603,000) of this converted to Facility B, incurring a £559,000 (2022 - £339,000) accrued conversion fee of which £220,000 was repaid (2022 - £nil), accrued interest on Facility B of £3,169,000 (2022 - £637,000) and an accrued non-utilisation fee of £2,492,000 (2022 - £992,000).

Interest under the facilities the Group holds arises at rates ranging from 2.75% above the compounded reference rate up to 10.5%, depending on the Facility being used. A non-utilisation fee is incurred at rates ranging from 1.5% per annum to 4.2% per annum and compounds each quarter being added to the outstanding principal. Facility A is repayable in quarterly instalments with all other facilities repayable in full on 31 July 2026.

Total bank borrowings are stated net of unamortised debt costs of £999,000 (2022 - £1,903,000).

The group has entered into an interest rate cap agreement with its bankers in respect of £30,000,000 of the bank loan which expires on 12 August 2024. The interest rate applicable to the hedged loan is a 0.45% cap on base rate. As at 31 December 2023 the fair value of the swap was a gain of £837,000 (2022 - £1,849,000) included within debtors, with a charge of £1,012,000 (2022 - credit of £1,382,000) recognised in the profit and loss account.

The group entered into a second interest rate cap agreement with its bankers in respect of £23,500,000 of the bank loan, rising to £61,380,000 and expiring on 4 August 2026. The interest rate applicable to the hedged loan is a 1.774% cap on base rate. As at 31 December 2023 the fair value of the swap was a gain of £2,310,000 (2022 - £3,481,000) included within debtors, with a charge of £1,171,000 (2022 - credit of £3,481,000) recognised in the profit and loss account.

The redeemable preference shares balance of £62,713,000 (2022 - £55,758,000) includes unpaid dividends of £30,880,000 (2022 - £23,963,000). Details regarding the company's preference shares (including new shares issued during the year) are given in note 18.

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £425,000 (2022 - £307,000).

Contributions totalling £165,000 (2022 - £78,000) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
A Ordinary shares of £0.50 each	1,438	719	1,438	719
B Ordinary shares of £0.50 each	202	101	202	101
C Ordinary shares of £0.50 each	360	180	360	180
D Ordinary shares of £1 each	1	1	1	1
	2,001	1,001	2,001	1,001

A ordinary, B ordinary, C ordinary and D ordinary shares rank pari passu, other than as detailed below.

A ordinary, B ordinary and C ordinary shares have attached to them full voting rights. The D ordinary share is non voting but is entitled to a dividend accruing at 8% per annum of a notional capital value of £1,485,062 accruing on a daily basis and compounded annually to exit. On a return of capital, the D share ranks behind the preference shares, but ahead of the other classes of ordinary shares, being entitled to a capital value of £1,485,062 plus payment of all accrued unpaid dividends.

During the period, the company issued 38,241 B1 preference shares at a nominal value of £1 each for cash consideration. These issues resulted in a total balance of A1, A2, B1 and C1 preference shares of £31,833,671 (2022 - £31,795,430).

The A1, A2, B1 and C1 preference shares rank pari passu in all material respects other than the A1, A2 and B1 shares are entitled to a return of 12% per annum and the C1 shares are entitled to 8% per annum. On a return of capital, the A2 shareholders rank in preference to the other classes of preference shares.

In accordance with FRS102 the preference shares are treated as a financial liability and are therefore classified within creditors due within one year. The dividends payable to the preference shareholders and D ordinary shareholders on the sale or listing of the company are accrued annually each period as detailed in notes 15 and 16.

19 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2023 £ 000	2022 £ 000
Not later than one year	875	694
Later than one year and not later than five years	3,282	2,779
Later than five years	16,828	15,232
	20,985	18,705

20 Analysis of changes in net debt

Group

	At 1 January 2023 £ 000	Cash flows £ 000	Other non-cash changes £ 000	At 31 December 2023 £ 000
Cash and cash equivalents				
Cash	5,119	7,988	-	13,107
Borrowings				
Bank borrowings (net of debt costs)	(91,919)	(17,696)	(6,733)	(116,348)
Redeemable preference shares	(55,758)	(38)	(6,917)	(62,713)
	(147,677)	(17,734)	(13,650)	(179,061)
	(142,558)	(9,746)	(13,650)	(165,954)

Other non-cash changes reflect the amortisation of debt costs and accrued interest/dividends.

21 Related party transactions

Group and Company

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 8 to the financial statements.

Fees charged by Synova Capital LLP amounted to £31,500 (2022 - £42,000).

22 Non-adjusting events after the financial period

After the year end, the group increased their HSBC loan facility from £62m up to £70m and have rebranded it to a green loan, reducing the interest by 10 basis points on the whole loan. The increased facility has also been fully drawn down post year end.

In February 2024 the newest care home, Osbern Manor in Gillingham, commenced taking residents and continues to scale up successfully.

In June 2024 the Group completed the purchase of a land site in Harpenden. This was followed in July 2024 by the purchase of a land site in Bracknell. These sites will have constructed on them a new 72 bed Care Home and the country's first net zero 75 bed Care Home. Both new build Care Homes are scheduled to open in 2026.

Legal Action: Oakland Wantage Care Home Limited v Stepnell Limited
On 9 August 2019, Oakland Wantage Care Home Limited entered a contract with Stepnell Limited for the construction of its care home under a JCT Design and Build Contract.

Following practical completion, disputes arose regarding the final account. Stepnell issued a final account projection on 17 February 2022, claiming £8,547,434. Oakland disputed this claim, suggesting a final account figure of £7,988,593. This disagreement led to a series of adjudications:

- First Adjudication (25 March 2024): Stepnell sought payment of £758,036, as set out in their Contractor's Statement of 9 February 2024. The adjudicator determined that Stepnell's final account projection was not a Final Statement and that Oakland's earlier responses were not valid Payment or Pay Less Notices. The adjudicator concluded that the Contractor's Statement was the relevant final statement but did not perform a true value assessment.
- Second Adjudication (29 May 2024): Oakland initiated a true value assessment. Stepnell challenged the jurisdiction, arguing that Oakland had not disputed the Contractor's Statement within the period, rendering it conclusive. The adjudicator concluded that Oakland's previous notices and the payment notice issued were sufficient, but ultimately they did not have jurisdiction to determine the matter due to the initial adjudicator's findings.

Ongoing Legal Proceedings: Oakland will initiate proceedings to clarify the interplay between the legal clauses. If successful, this could lead to further adjudication or proceedings to determine the true value assessment.

Financial Implications: Oakland paid the first adjudicated sum to Stepnell to enable the further legal action, which is being pursued, to resolve the dispute over the final account value and potentially recover amounts paid.

This legal action represents a material post-balance sheet event. The resolution of this dispute may lead to adjustments in the reported figures in the subsequent financial period. Oakland is closely monitoring the situation and seeking legal advice to navigate the complexities of this contractual dispute. The Board remain confident of the position on the matter and will continue to seek a resolution that minimises financial impacts.

23 Parent and ultimate parent undertaking

The ultimate controlling party is Synova Capital GP III LLP, which is considered to have no single controlling party.