

Registration number: 02792285

Barchester Healthcare Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2025

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Barchester Healthcare Limited

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Barchester Healthcare Limited

Company Information

Directors	Pete Calveley Alison Glover Dominic Kay Yechiel Lehrfield
Registered office	3rd Floor, The Aspect Finsbury Square London EC2A 1AS
Auditor	KPMG LLP Chartered Accountants Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025

The Directors present their strategic report for the year ended 31 December 2025.

Principal activity

The principal activity of the Company is that of an investment holding company. The principal activity of the Company's subsidiary undertakings is the operation and management of nursing and residential care homes. Barchester is a company domiciled in England and Wales.

Barchester provides residential and nursing care services for the elderly, as well as specialist higher acuity nursing care for individuals with more complex needs.

As at December 2025, Barchester operated 9,804 registered beds across 150 registered services, including six independent hospitals, with a national footprint across Great Britain. The largest proportion of homes is located within London and the South East.

In addition, Barchester managed a further 111 homes, comprising 6,852 registered beds, on behalf of a third party under a management services agreement. These homes operate under the Barchester Healthcare brand, with Barchester responsible for their day-to-day management and the delivery of care services.

Under the management services arrangement, Barchester employs the staff required to operate the homes, with associated employment costs and other eligible care costs recharged to and borne by the owner. In return, Barchester receives a management fee linked to the performance of the homes.

Fair review of the business

The Group was acquired by Mint UK Holdco LLC on 16 October 2025.

On 17 October 2025, the Group disposed of the trade and assets associated with 85 homes, generating a gain on disposal of £9.7m. Following the disposal, the Company entered into a management services agreement with the new owner to continue operating these homes. The Company was also appointed to manage additional homes acquired by the new owner as part of a wider transaction.

On 18 October 2025, the Group disposed of its interests in Barchester Assisted Living Properties (Stamford Bridge) Limited, Barchester Assisted Living Properties (Chacombe) Limited, Barchester Assisted Living Properties Limited, Barchester Assisted Living Properties (Chorleywood) Limited, Barchester Assisted Living Properties (Edgbaston) Limited, Barchester Assisted Living Properties (Southgate) Limited and Westminster Health Care New Limited, generating a loss on disposal of £5.6m.

Accordingly, current year revenue, costs, EBITDAR and operating profit are not directly comparable with the prior period.

Total revenue increased by £10.8m (1%) to £977.6m in the year (2024: £966.8m). Current year revenue includes management fee income of £4.3m.

Operating profit from continuing operations decreased by £89.9m to £4.1m (2024: £94.0m). The movement in operating profit from continuing operations year on year can be explained as follows:

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

- a £20.0m decrease in EBITDAR from continuing operations (which is explained further below);
- a £18.3m increase in the share-based payment expense;
- a £15.4m increase in the external rent charge following the replacement of existing leases with new lease agreements;
- a £2.6m increase in the depreciation charge;
- a £4.7m decrease in the amortisation charge;
- a £9.7m gain on the disposal of the trade and assets relating to 85 homes;
- a £5.6m loss on the disposal of a number of subsidiary undertakings;
- a £0.3m decrease to other costs; and
- a £42.7m impairment loss on tangible fixed assets.

EBITDAR from continuing operations has decreased to £274.1m (2024: £294.1m). This has been driven by the disposals noted above.

Net assets at the year end decreased to £29.6m (2024: £256.5m). The reconciliation of the movement is shown in the consolidated statement of changes in equity on page 35.

The Directors would like to thank the staff who worked so tirelessly and with such dedication throughout the year to care for the residents and patients who stayed with us. This is reflected in our sector leading training, pay and benefits packages.

Principal risks and uncertainties & key performance indicators

The Board analyses key risks to the business and monitor exposure to these risks through a series of Key Performance Indicators (KPIs). These KPIs are reviewed to ensure that the Group is achieving its principal objectives of providing the highest quality of care for residents and patients, at the same time ensuring that the infrastructure is as fully and efficiently utilised as possible to provide appropriate returns to shareholders.

The key risks identified are as follows:

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Risk	Description	Executive Owner	Impact	Mitigation	KPIs
Reputational damage	Damage to the brand of the business from a significant failure in an individual home or hospital, or a major unfortunate incident.	Chief Customer Officer	Failure to protect the brand of the business will impact our ability to: • attract new residents, • retain and attract the best staff	- Clinical Governance Committee - Comprehensive operating policies and procedures - Detailed reporting - Executive scrutiny of every service - Independent internal review of service quality - Complaint escalation process - Whistleblowing	- Complaint numbers - Press coverage - Regulatory reports & ratings
Failure to maintain occupancy	Failure to attract new enquiries and to convert them could lead to failure to maintain income.	Chief Operating Officer	The business requires high operational gearing, notably in terms of staff numbers and property costs. Failure to maintain occupancy levels could lead to cash shortfalls and breaches of covenants.	- Investment in online and offline marketing - Home management incentives - Detailed performance monitoring - Mystery shopping - Lost enquiry follow up - Resident & relatives survey	- Occupancy league tables & operational monitoring - Daily resident numbers and percentage occupied beds - Budgeted targets by service
Clinical quality: resident & patient safety	Failure to operate within legal and regulatory standards to ensure the safety of our residents, patients, staff and visitors.	General Counsel and Director of Quality, Risk and Compliance	Legal or regulatory enforcement actions which could prevent services from trading.	- Recruitment and induction processes - Policies & procedures - Training - Audits (health & safety, internal audit, quality audit) - Detailed clinical reporting - Root cause analysis and shared learning from issues	- Internal audit scores, including quality and health & safety - ROSPA award - Training statistics by service - Clinical Governance database reporting

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Risk	Description	Executive Owner	Impact	Mitigation	KPIs
Fire	Failure to identify, manage or prepare for fire risk	General Counsel and Director of Quality, Risk and Compliance	Fire could cause injury or death to residents, patients, staff or visitors. Damage to property	- Fire safety policy and procedure - All services have fitted L1 fully addressable fire alarm systems - Fire safety and evacuation training undertaken - Fire safety drills undertaken - External fire risk assessments undertaken - Relationship with primary fire authority for advice - Health & safety audits and internal audits undertaken	- Fire training statistics - Health & safety audit scores
Cyber security	Security of systems and electronically stored information to ensure that the business can continue to operate and resist cyber threats	Chief Information Officer	The world is increasingly exposed to external organisations aiming to penetrate business systems either to extract data or ransom the business by preventing normal operations.	- Information security manager in-house - External penetration testing - Working towards ISO27001 accreditation - Information security policies and procedures - Appropriate training of staff - Scrutiny of third party suppliers security arrangements - Third party surveillance software being deployed	- Maintained security posture with peer-aligned scoring or higher - Demonstrated year-on-year improvement of ISO security controls - Continuous monitoring and stable security scoring for key and high-risk suppliers - Recurring external PEN and vulnerability assessments with all high-risk findings mitigated within 30 days - Maintained incident response retainer, processes and controls with annual testing and validation

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Risk	Description	Executive Owner	Impact	Mitigation	KPIs
Third party management arrangements	The business manages a number of homes on behalf of a third party under a management services agreement.	Chief Executive Officer	The business is exposed to the risk of non-payment or delayed recovery of operating costs and management fees, as well as the potential termination of the management services agreement.	- Regular engagement with the third party and monitoring of the operational and financial performance of the managed homes. - Management services agreement sets out the respective responsibilities of both parties, including arrangements for the recovery of eligible operating costs and payment of management fees.	- Management fee income - Recovery of operating costs and management fees - Performance of managed homes

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Strategic Report for the Year Ended 31 December 2025 (continued)

Risk	Description	Executive Owner	Impact	Mitigation	KPIs
Digitisation transformation programme	The business is currently undertaking a largescale transformation programme. This will affect a large number of business processes and also migrate many processes onto new software packages.	Chief Commercial Officer	Failure to implement the new processes and systems appropriately could cause: - a deterioration in service quality or - an adverse commercial performance due to cost over runs or failure to deliver planned benefits.	- Each project within the programme has an executive sponsor - Significant, appropriately experienced resources are being used to support the programme with appropriate financial resources made available - Progress and issues are overseen by a steering group and reported monthly to the Board - Third party software is subject to a rigorous selection process with preference given to proven expertise within our sector.	- Progress towards project milestones - Financial costs compared to budget

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Future prospects

The Group remains committed to paying employees above the National Living Wage, which has contributed to an increase in the cost base and will continue to do so in accordance with government policy. We have also embarked on a comprehensive digital transformation programme which, while representing a considerable investment, is designed to enhance our systems and processes. Over the coming years, this initiative will support improved care quality, enrich resident and staff experience, increase transparency, and drive profitability.

Notwithstanding these cost pressures, with our consistent focus on quality care delivery and the private pay market, we are confident in the Group's continued further success. This includes ongoing investment in the maintenance and improvement of our homes and hospitals, as well as expansion through the opening of new, purpose-built premium care facilities.

Section 172(1) statement

The Board of Directors of Barchester Healthcare Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole during the current period.

In doing so, the Directors have given regard to:

- The likely consequences of any decisions on the long-term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with suppliers, customers and others;
- The impact of the Group's operations on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Group's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

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Strategic Report for the Year Ended 31 December 2025 (continued)

Non-financial and sustainability information

This report has been prepared in accordance with the requirements of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD, established by the Financial Stability Board, aims to enhance the transparency and reporting of climate-related risks and opportunities.

The current level of climate risk assessment has not extended to developing climate-related risk targets and KPIs and therefore disclosure of such is not needed to further understand the business. Therefore, the requirements of s414CB paragraph 2 (g) and (h) have been omitted. Barchester will set structured targets in upcoming years that will likely focus on operational emissions.

Governance

Responsibility for identifying climate related risks and opportunities at Barchester Healthcare lies with the Risk Committee, chaired by the Director of Finance. The risk register outlines risks that could materially affect Barchester Healthcare's aims and objectives, as well as the framework for identifying, reporting, and assessing those risks.

Climate risk is a standing agenda item at the bi-annual Risk Committee meetings, held ahead of the Group Audit Committee meetings. Twice a year, the Risk Committee Chair provides an update on the strategic risk register to the Group Audit Committee.

More detailed consideration of climate related risk is undertaken by the ESG Committee, chaired by the Chief Financial Officer. Meeting twice a year, the ESG Committee includes climate related risk as a regular agenda point, and members also monitor climate risks on an ad hoc basis between meetings, raising them as needed. Updates on ESG and climate related matters are provided at each Board meeting through the CEO's report. At present, Barchester does not have any specific climate related targets against which progress can be monitored.

Ultimate oversight of climate related risks and opportunities rests with Barchester Healthcare's Chief Financial Officer, who is supported by the Risk Committee. As well as overseeing the identification and management of climate-related risks and opportunities, the CFO is responsible for updating both the Operational Board and the Shareholder Board on ESG matters, including climate risk management and progress on sustainability initiatives. The Operational Board reviews this information and discusses climate related risks within the sustainability section of its agenda, reviewing if action is required.

Regional Directors are responsible for identifying risks, including climate related risks, within their respective regions, while the executive team oversees risks within their areas of control. Executive Directors, who form the executive team, are accountable for horizon scanning and for identifying and managing climate related risks and opportunities that may influence business strategy or operations. When risks or opportunities are identified, they are submitted to the Risk Committee for evaluation. Typically, risk identification and escalation remain within the relevant business function. For example, estate related risks escalate to the Property Director, and financial risks to the Director of Finance. These same directors are responsible for managing the risks within their remit.

As with identification, the management of risks sits with the Executive Directors. The CFO will escalate risks for discussion at committee level and, if considered material, to the Board. Risk management follows the same pathways as those used for risk identification.

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Strategic Report for the Year Ended 31 December 2025 (continued)

Risk management

Climate related risk identification is a focus during the bi-annual risk committee meetings. Currently Barchester use the internal operational expertise within the team to qualitatively assess whether a risk should be assessed further. If a risk is identified for further assessment, Barchester engage with external consultants to perform a quantitative assessment on the identified risk.

At each meeting, the team conducts a forward looking scan to identify any emerging and relevant climate risks that should be escalated for discussion. Barchester currently relies on internal operational expertise to qualitatively determine whether a risk warrants deeper analysis. When a risk is flagged for further review, external consultants are engaged to carry out a quantitative assessment on the identified risk.

In addition, Barchester has completed two rounds of climate scenario analysis (CSA) in 2023 and 2024. Going forward, these assessments will be refreshed on a three year cycle to ensure that identified risks reflect the most up to date information, with the next CSA scheduled for 2027. The 2023 CSA examined flood risk, while the 2024 analysis considered all 28 EU Taxonomy physical risks, along with any transitional risks that may be relevant to Barchester.

When an assessment indicates that Barchester is materially exposed to a particular risk, including climate related risks, a full impact assessment is carried out to gain a deeper understanding of the organisation's vulnerability. If this impact assessment concludes that the risk is material to Barchester, it is added to the risk register, which then triggers the formal risk management and mitigation process.

Barchester's risk register is the centralised means of identifying, assessing, and managing risk. This is monitored at the bi-annual Risk Committee meetings. During this process, the impact and likelihood scores are assessed for all risks and the mitigation processes updated as required. The scores are assigned on a qualitative basis using Barchester's internal knowledge of the business and qualitative research.

Risk levels are divided into likelihood and impact and are defined below:

Likelihood: The possibility that a risk will be realized. Ranked 1-5.

Impact: The effect the risk will have on Barchester operations. Ranked 1-5

Climate risks are scored in the same manner using exposure and vulnerability and therefore aligned to the wider risks scoring process.

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Strategic Report for the Year Ended 31 December 2025 (continued)

Risk management (continued)

In line with best practice, two different carbon scenarios and three-time horizons have been considered. The time horizons are consistent for both the CSA projects that have been conducted, but the carbon scenarios differ slightly.

Carbon scenarios:

- RCP 2.6: potential temperature increases of 0.9°C-2.3°C (used in the 2024 assessment)
- RCP 4.5: potential temperature increases of 1.7°C-3.2°C (used in the 2023 assessment)
- RCP 8.5: potential temperature increases of 3.2°C -5.4°C. (used in both 2023 and 2024 assessments)

Assessment time horizons:

- Short-term: 2020-2039
- Medium-term: 2040-2059
- Long-term: 2060-2079

Barchester has also defined specific time horizons for their business strategy. To align these time horizons with Barchester's business strategy and risk assessment process, which allows for integration into the core business. These timespans are defined as follows:

- Short-term: 1 – 5 years
- Medium-term: 5 – 15 years
- Long-term: 15+ years

Below, the results of the CSA can be summarised by defining the likelihood of certain physical hazards and transitional risks occurring. They are framed within the timeframes defined above.

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Strategic Report for the Year Ended 31 December 2025 (continued)

Table 1 - Detailed physical likelihood ratings

Hazard name	Scenario	Likelihood		
		Short-term	Medium-term	Long-term
Heat stress	Low carbon	4	4	3
	High carbon	4	5	5
Changing temperature	Low carbon	4	4	4
	High carbon	4	5	5
Changing precipitation	Low carbon	2	2	3
	High carbon	2	3	4
Flooding	Low carbon	3	4	4
	High carbon	4	4	4
Water stress	Low carbon	2	3	4
	High carbon	2	3	4
Storms	Low carbon	3	3	3
	High carbon	3	3	3
Subsidence	Low carbon	3	3	3
	High carbon	3	3	3
Freeze thaw	Low carbon	3	3	3
	High carbon	3	3	3
Cold waves	Low carbon	3	3	3
	High carbon	3	3	2

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Strategic Report for the Year Ended 31 December 2025 (continued)

Table 2 - Transition risk scores

Risk name	Scenario	Impact score	Short term		Medium-term		Long-term	
			Likelihood	Overall risk	Likelihood	Overall risk	Likelihood	Overall risk
Increased energy costs	Low carbon	4	4	16	4	12	3	12
	High carbon		4	8	5	12	3	12
Increased investor scrutiny	Low carbon	3	4	9	4	12	4	12
	High carbon		4	9	5	9	4	12
Changing regulations	Low carbon	3	2	12	2	9	2	6
	High carbon		2	9	3	6	1	3
Changing carbon prices	Low carbon	4	3	8	4	12	3	12
	High carbon		4	8	4	8	2	8
Climate-related litigation	Low carbon	3	2	6	3	9	3	9
	High carbon		2	6	3	6	1	3
Stakeholder expectations	Low carbon	3	3	6	3	9	3	9
	High carbon		3	6	3	6	3	9
Decreased lifecycle of existing assets	Low carbon	2	3	6	3	8	4	8
	High carbon		3	6	3	6	3	6
Changes in consumer demand	Low carbon	2	3	4	3	6	3	6
	High carbon		3	4	3	4	1	2

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Strategic Report for the Year Ended 31 December 2025 (continued)

Strategy

Barchester has discovered a series of impacts, actual and potential, from the CSAs conducted so far. The reported impacts and mitigations focus on Barchester majority revenue stream which is the physical care home and health care assets. The impacts for its most material physical risks which they have assessed in the first step of the CSA are illustrated in Table 3, the most material transitional risks in Table 4.

In the 2023 CSA, the assessment focused solely on fluvial and pluvial flooding. The enhanced CSA carried out in 2024 evaluated all 28 EU climate related physical hazards, as well as the likelihood and impact of transition risks and opportunities. Because the initial CSA had a limited scope, a more comprehensive assessment was performed the following year. Going forward, a new CSA will be completed every three years.

The second CSA incorporated scenarios RCP2.6 and RCP8.5. These were selected to represent both a low carbon and a high carbon pathway, covering temperature ranges of 0.9°C–2.3°C and 3.2°C–5.4°C respectively. The material physical risks identified were heat stress and changing temperatures. The main transition risks included rising energy costs, heightened investor scrutiny, evolving regulatory requirements, and changes to carbon pricing.

Overall, the impacts on the resilience of Barchester's business model and associated risk levels increase with both the scenario severity and the length of the time horizon. As risks become more material, the effect on business strategy resilience also increases. If impacts become material in the short term, Barchester will adjust its business strategy to strengthen resilience. Long term risks, however, are not currently viewed as significant enough to justify immediate strategic changes.

By performing a CSA every three years, Barchester will be able to track emerging climate related risks and adapt the business model as necessary when such risks begin to materialise in the short term. In addition, future stress testing will help assess the potential financial consequences of relevant risks.

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Table 3 - Impacts and respective mitigation measures of material physical climate-related risks

Physical risk	Described impact	Mitigation measures
Heat stress	- Increased heat-related illness - Reputation and litigation risk - Increased operational costs	Future mitigation measures - Review and update Business Continuity Plan (BCP) to address increased temperatures - Conduct site-specific assessments at highly exposed locations - Implement natural cooling measures for buildings
Flooding (surface water)	- Disruption to operations - Potential reputational damage	In place mitigation measures - Review and monitor flood defenses and warnings to ensure BCP steps are appropriate for managing flooding - Assess the need for additional mitigation measures at highly exposed sites - Conduct site-specific deep dives to evaluate flood risks and necessary actions For three of the sites mitigation measures have already been implemented following the first CSA conducted: Tewkesbury Field: - Bunding of and protection of critical pumping station control panels - Additional French drains added - Additional drainage added to carpark area to reduce surface water run-off and flooding Dudwell St. Mary: - Additional drainage to alleviate surface water run-off to entrance Claremont Parkway: - Bunding of plant room and lifting of plant off the floor to mitigate flooding from small brook/drainage channel at the rear of the property

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Physical risk	Described impact	Mitigation measures
		Stamford Bridge: - Inclusion of home on to local flood risk alert system Future mitigation measures - Review and monitor flood defences and warnings to ensure BCP steps are appropriate for managing flooding - Assess the need for additional mitigation measures at highly exposed sites - Conduct site specific deep dives to evaluate flood risks and necessary actions

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Table 4 - Impacts and respective mitigation measures of material transition risks

Transition risk	Described impact	Mitigation measures
Increased energy costs	- Increased operational costs	In place mitigation measures - Convert all suitable light fittings to LED alternatives Future mitigation measures - Continue energy efficiency improvements and solar installation programs across all sites - Set a target to reduce energy consumption (e.g., reduce per bed consumption by 20% by 2030) - Improve insulation and ventilation at all sites to reduce heating and cooling energy demands for extreme temperatures
Increased investor scrutiny	- Reduced access to capital	In place mitigation measures - Ensure transparency in Barchester's climate reporting Future mitigation measures - Set climate-related commitments (e.g., moving towards greener facilities) - Demonstrate ESG commitments in publication (e.g., Barchester's ESG Procurement Policy)
Changing regulations	- Increased Costs - Competitive Disadvantage - Reputational Damage	Future mitigation measures - Hire an external climate regulation expert to navigate substantial regulatory changes. - Engage in external working groups (e.g., Independent Healthcare Providers Network) to participate in climate regulation discussions. - Proactively involve in industry-based discussions on climate policy before implementation

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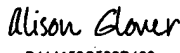
Strategic Report for the Year Ended 31 December 2025 (continued)

Transition risk	Described impact	Mitigation measures
Changing carbon prices	- Direct Regulatory Costs - Increased Indirect Operational Costs - Increased Procurement Costs	Future mitigation measures - Reduce emissions from gas consumption (e.g., improved insulation, induction cookstoves, energy-efficient boilers) - Account for supply chain carbon emissions in sourcing decisions for equipment and materials - Set a target to reduce carbon emissions and develop plans to achieve it

Barchester Healthcare Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Approved by the Board on 15 September 2026 and signed on its behalf by:

DocuSigned by:

.....B41A153C586D48A.....
Alison Glover
Director

Barchester Healthcare Limited

Directors' Report for the Year Ended 31 December 2025

The Directors present their report and the financial statements for the year ended 31 December 2025.

Directors of the Group

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

John Coleman - Chairman (resigned 16 October 2025)

Anthony Bourne (resigned 16 October 2025)

Keith Browne (resigned 16 October 2025)

Pete Calveley

Mark Hazlewood (resigned 18 December 2025)

John Hegarty (resigned 16 October 2025)

Michael O'Reilly - Company secretary and director (resigned 16 October 2025)

Sally Cabrini (resigned 16 October 2025)

Alison Glover (appointed 18 December 2025)

Dominic Kay (appointed 7 November 2025)

Yechiel Lehrfield (appointed 16 October 2025)

Executive Directors

Dr Pete Calveley was appointed to the Board of Barchester Healthcare Limited on 1 June 2014, as Chief Executive Officer. He is a doctor of medicine from Leeds University. He was formerly CEO of Four Seasons Health Care and has had a distinguished career in the NHS, working as a GP for over 20 years. He has been central to building awareness of the capability of independent operators to provide services that complement the NHS and in making the case for a joined-up approach to health and social care funding. Pete has led the growth strategy of Barchester since 2014, with an unwavering commitment to a 'Quality First' approach. At Barchester Pete has led the acquisition of 40 homes and the development of a new build programme that is delivering 10 new homes a year. He oversees the management structure and operational delivery model of the company which employs over 19,000 people and cares for more than 13,800 residents across 261 care homes and hospitals.

Alison Glover was appointed to the Board of Barchester Healthcare on 18 December 2025. Alison is a Fellow of the Association of Chartered Certified Accountants (FCCA). Prior to joining Barchester, Alison worked for a number of top ten accountancy firms as an outsourced internal auditor. Alison joined Barchester in 2016 as Head of Internal Audit, subsequently progressing to Director of Finance and most recently, Chief Financial Officer.

Dominic Kay was appointed to the Board of Barchester Healthcare Limited on 7 November 2025. Dominic is a qualified solicitor and spent 10 years as a main board director of Four Seasons Health Care. He subsequently joined Barchester Healthcare on a part-time basis, where he led the Company's new build programme, whilst also acting as Executive Chairman of New Care. Following the successful sale of New Care to Lovett Care, Dominic returned to Barchester on a full-time basis as General Counsel and Director of Quality, Risk and Compliance.

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Directors' Report for the Year Ended 31 December 2025 (continued)

Non-Executive Directors

Yechiel Lehrfield joined the board in October 2025 and also currently serves as Chief Financial Officer of Apex Healthcare Properties and Pinta Capital Partners. He leads a multidisciplinary team of professionals across real estate, healthcare, family office and construction/development operations. Yechiel oversees full accounting, finance and budgeting functions for a healthcare portfolio encompassing over 700 facilities. He manages tax compliance and filings across 800+ entities and partners closely with the deal team on complex restructurings and transactions, leading accounting and financial components across acquisitions, dispositions, joint ventures, financing and operational transfers. Prior to his current role, Yechiel served as Director of Accounting at Arch Companies, where he led accounting operations for over \$1B in AUM, and held senior accounting roles at Northwind Group and Northeastern Logistics. Yechiel holds a Bachelor's degree in Finance and Accounting from Farleigh Dickinson University and completed continuing studies in Business Management, Accounting, and Finance at Brooklyn College, having passed all four CPA exams.

Corporate governance

Barchester Healthcare is a privately owned company. During the year, the ownership of the Company changed, resulting in changes to the composition of the Board and the Company's governance arrangements. The new shareholders have appointed representatives to the Board. Details of the directors and their respective roles are set out above.

The Board met six times during the year. It is responsible for oversight of clinical governance and safety, strategy and policy, approval of business plans, significant capital expenditure and other matters of strategic significance.

The Board considers its corporate governance arrangements on an ongoing basis to ensure that they remain appropriate to the Company's ownership, size and activities.

Proposed dividend

During the year, the Company paid dividends totalling £207,694k (2024: Nil).

Financial instruments

The Group only uses basic financial instruments.

Political donations

The Group made no political donations during the year.

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Directors' Report for the Year Ended 31 December 2025 (continued)

Going concern

The Directors have reasonable expectation that the Group and Company have adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements. The Directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis. Further details are in note 2 to the financial statements.

Employment of disabled persons

It is Group policy to give fair consideration to the employment needs of disabled people and to comply with current legislation with regard to their employment. Wherever practicable, the Group continues to employ and promote the careers of existing employees who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitudes and abilities.

Employee involvement

The Directors recognise the importance of human resources. Practices to provide good communications and relations with employees include providing them with information on matters of concern to them as employees. Employees or their representatives are consulted on a regular basis so that their views can be taken into account in making decisions which are likely to affect their interests.

Speak Up (whistleblowing) policy

The employees of the Company are encouraged to express concerns or complaints, if they believe that someone may be at risk of harm, an offence has been committed, a person has failed with legal obligations, a miscarriage of justice has occurred or an individual's health and safety has been endangered. Protection is provided for those that 'blow the whistle'. The Speak Up policy can be found on the intranet of the Company and employees have access to a free phone independent counselling and advice line.

Directors' insurance

As at the date of this report, indemnities are in force, under which the Company has agreed to indemnify the Directors and certain senior managers, to the extent permitted by law and the Company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries.

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Directors' Report for the Year Ended 31 December 2025 (continued)

Greenhouse gas emissions, energy consumption and energy efficiency actions

This section outlines the Group's energy consumption and the associated carbon dioxide emissions. The information presented is in accordance with the Streamlined Energy and Carbon Reporting (SECR) framework, as established under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Emissions and energy consumption

Summary of greenhouse gas emissions and energy consumption:

Name and description	Unit of measurement	2025	2024
Greenhouse gas emissions	tCO ₂ e	31,342	31,710
Energy consumption	kWh	<u>170,453,263</u>	<u>166,080,080</u>

Summary of scope 1 (direct) greenhouse gas emissions:

Emissions from combustion of gas	tCO ₂ e	22,339	22,044
Emissions from combustion of fuel for transport purposes	tCO ₂ e	<u>873</u>	<u>902</u>
		<u>23,212</u>	<u>22,946</u>

Summary of scope 2 (indirect) greenhouse gas emissions:

Emissions from purchased electricity	tCO ₂ e	<u>7,097</u>	<u>7,928</u>
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Summary of scope 3 (other indirect) greenhouse gas emissions:

Emissions from business travel in rental cars or employee owned vehicles where company is responsible for purchasing the fuel	tCO ₂ e	<u>1,033</u>	<u>836</u>
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Greenhouse gas emissions have been measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Intensity ratio

tCO₂e per available bed

The intensity measurement calculated is tonnes of CO₂e per available bed.

	<u>2025</u>	<u>2024</u>
tCO ₂ e per available bed	2.12	2.25

Barchester Healthcare Limited

Directors' Report for the Year Ended 31 December 2025 (continued)

Energy efficiency actions

During 2025, the following energy efficiency actions were implemented across homes operating under the Barchester Healthcare brand.

- 1,104kWp increase in installed solar capacity with the completion of 12 retrofit and 3 new build systems. A total of 84 care homes are now supplied with electricity which is generated through on-site solar panels, bringing total installed solar capacity to 4,328kWp.
- Six additional electric vehicle charging points were installed.
- With the exception of two homes, all homes now have LED lighting installed.
- Water usage monitoring was improved through the installation of additional data loggers on water meters, resulting in 99% of the portfolio now being monitored.
- Works were completed to replace two further oil-fuelled heating systems with LPG heating systems.

Environmental, Social, and Governance Commitment

Barchester has been committed to activities now commonly captured under the “ESG” heading for many years.

Barchester has worked with an independent third party to review the status of its ESG activities, and more importantly to set key criteria for these activities to continue to develop over time.

ESG is now the subject of a Board sub-committee chaired by the Chief Financial Officer. The ESG Committee meets twice a year and is attended by all Executive members of the Board, the Chief People Officer, the Chief Customer Officer, the Chief Information Officer, the Chief Operating Officer, the Chief Commercial Officer and the Director of Property. Relevant subject matter experts are invited to attend where relevant. Progress on ESG matters are reported to the Board by the Chief Executive Officer.

Further detail is on the Company's website.

Barchester is also working on developing a Net Zero Strategy.

Disclosure of information to the auditor

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

Approved by the Board on 15 September 2026 and signed on its behalf by:

DocuSigned by:

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Alison Glover
Director

Barchester Healthcare Limited

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 Parent 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 Parent 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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Barchester Healthcare Limited

Independent Auditor's Report to the Members of Barchester Healthcare Limited

Opinion

We have audited the financial statements of Barchester Healthcare Limited (the 'Company') for the year ended 31 December 2025 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, 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 the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Barchester Healthcare Limited

Independent Auditor's Report to the Members of Barchester Healthcare Limited (continued)

Fraud and breaches of laws and regulations - ability to detect

• Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Group Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited incentive or opportunity to recognise revenue fraudulently.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test all significant components of the Group based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unusual characteristics compared to the total journal population.
- Evaluated the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Barchester Healthcare Limited

Independent Auditor's Report to the Members of Barchester Healthcare Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and certain aspects of company legislation and care Quality Commission regulation, recognizing the financial and regulated nature of the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Barchester Healthcare Limited

Independent Auditor's Report to the Members of Barchester Healthcare Limited (continued)

Strategic report and Directors' report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities set out on page 25, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

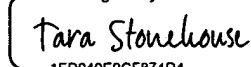
Barchester Healthcare Limited

**Independent Auditor's Report to the Members of Barchester Healthcare Limited
(continued)**

The purpose of our audit work and to whom we owe our responsibilities

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.

DocuSigned by:



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Tara Stonehouse (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

15 September 2026

Barchester Healthcare Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2025

	Note	2025 £ 000	2024 £ 000
Turnover	3	977,613	966,819
Cost of sales		<u>(790,048)</u>	<u>(770,451)</u>
Gross profit		187,565	196,368
Administrative expenses		(140,743)	(102,338)
Impairment of fixed assets		<u>(42,738)</u>	<u>-</u>
Operating profit	4	4,084	94,030
Other interest receivable and similar income	5	1,702	2,037
Interest payable and similar expenses	6	<u>(37,666)</u>	<u>(41,226)</u>
(Loss)/profit before tax		(31,880)	54,841
Tax on (loss)/profit	10	<u>2,335</u>	<u>(19,636)</u>
(Loss)/profit for the financial year		<u>(29,545)</u>	<u>35,205</u>
Profit/(loss) attributable to:			
Owners of the Company		<u>(29,545)</u>	<u>35,205</u>

The above results were derived from continuing operations.

The Group has no recognised gains or losses for the year other than the results above.

Barchester Healthcare Limited

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December
2025**

	2025 £ 000	2024 £ 000
(Loss)/profit for the year	<u>(29,545)</u>	<u>35,205</u>
Total comprehensive income for the year	<u>(29,545)</u>	<u>35,205</u>
Total comprehensive income attributable to:		
Owners of the Company	<u>(29,545)</u>	<u>35,205</u>

Barchester Healthcare Limited**(Registration number: 02792285)****Consolidated Balance Sheet as at 31 December 2025**

	Note	2025 £ 000	2024 £ 000
Fixed assets			
Tangible assets	11	112,275	466,517
Current assets			
Stocks	14	728	8,327
Debtors	15	113,805	401,354
Cash at bank and in hand		5,865	15,559
		120,398	425,240
Creditors: Amounts falling due within one year	16	(196,824)	(257,005)
Net current (liabilities)/assets		(76,426)	168,235
Total assets less current liabilities		35,849	634,752
Creditors: Amounts falling due after more than one year	16	(2,187)	(366,394)
Provisions for liabilities	17	(4,092)	(11,899)
Net assets		29,570	256,459
Capital and reserves			
Share capital	19	12,913	12,913
Share premium reserve		6,643	6,643
Capital redemption reserve		186	186
Capital contribution reserve		49,045	25,059
Profit and loss account		(39,217)	211,658
Equity attributable to owners of the Company		29,570	256,459
Total equity		29,570	256,459

Approved and authorised by the Board on 15 September 2026 and signed on its behalf by:

DocuSigned by:

Alison Glover

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Alison Glover

Director

The notes on pages 38 to 62 form an integral part of these financial statements.

Barchester Healthcare Limited
(Registration number: 02792285)
Balance Sheet as at 31 December 2025

	Note	2025 £ 000	2024 £ 000
Fixed assets			
Investments	12	18,841	18,841
Current assets			
Debtors	15	17,539	86,819
Cash at bank and in hand		92	4,092
		17,631	90,911
Creditors: Amounts falling due within one year	16	(12,635)	(83,795)
Net current assets		4,996	7,116
Net assets		23,837	25,957
Capital and reserves			
Share capital	19	12,913	12,913
Share premium reserve		6,643	6,643
Capital redemption reserve		186	186
Profit and loss account		4,095	6,215
Total equity		23,837	25,957

The company made a profit after tax for the financial year of £205,574,000 (2024 - loss of £80,000).

Approved and authorised by the Board on 15 September 2026 and signed on its behalf by:

DocuSigned by:

Alison Glover

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Alison Glover
Director

Barchester Healthcare Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2025

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2025	12,913	6,643	186	25,059	211,658	256,459
Loss for the year	-	-	-	-	(29,545)	(29,545)
Total comprehensive income	-	-	-	-	(29,545)	(29,545)
Distribution to parent	-	-	-	-	(13,636)	(13,636)
Dividends	-	-	-	-	(207,694)	(207,694)
Share based payment transactions	-	-	-	23,986	-	23,986
At 31 December 2025	12,913	6,643	186	49,045	(39,217)	29,570

The distribution to parent relates to the write off of intercompany balances.

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2024	12,913	6,643	186	19,408	176,453	215,603
Profit for the year	-	-	-	-	35,205	35,205
Total comprehensive income	-	-	-	-	35,205	35,205
Share based payment transactions	-	-	-	5,651	-	5,651
At 31 December 2024	12,913	6,643	186	25,059	211,658	256,459

The notes on pages 38 to 62 form an integral part of these financial statements.

Barchester Healthcare Limited

Statement of Changes in Equity for the Year Ended 31 December 2025

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2025	12,913	6,643	186	6,215	25,957
Profit for the year	-	-	-	205,574	205,574
Total comprehensive income	-	-	-	205,574	205,574
Dividends	-	-	-	(207,694)	(207,694)
At 31 December 2025	12,913	6,643	186	4,095	23,837

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2024	12,913	6,643	186	6,295	26,037
Loss for the year	-	-	-	(80)	(80)
Total comprehensive income	-	-	-	(80)	(80)
At 31 December 2024	12,913	6,643	186	6,215	25,957

The notes on pages 38 to 62 form an integral part of these financial statements.

Barchester Healthcare Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2025

	Note	2025 £ 000	2024 £ 000
Cash flows from operating activities			
(Loss)/profit for the year		(29,545)	35,205
Adjustments to cash flows from non-cash items			
Depreciation, impairment and amortisation	4	85,535	44,902
(Profit)/loss on disposal of tangible assets		(54)	393
Profit from disposals of investments		(4,066)	-
Finance income		(1,702)	(2,037)
Finance costs		37,666	41,226
Share based payment transactions		23,986	5,651
Income tax expense	10	(2,335)	19,636
		109,485	144,976
Working capital adjustments			
(Increase)/decrease in stocks	14	(967)	338
Decrease/(increase) in trade debtors	15	64,795	(96,348)
(Decrease)/increase in trade creditors	16	(66,765)	49,763
Cash generated from operations		106,548	98,729
Income taxes paid	10	(15,188)	(17,649)
Net cash flow from operating activities		91,360	81,080
Cash flows from investing activities			
Interest received		1,702	2,037
Acquisitions of tangible assets		(64,231)	(53,068)
Proceeds from sale of tangible assets		444	348
Net cash flows from investing activities		(62,085)	(50,683)
Cash flows from financing activities			
Interest paid		(1,450)	(1,805)
Payments to finance lease creditors		(37,519)	(44,152)
Net cash flows from financing activities		(38,969)	(45,957)
Net decrease in cash and cash equivalents		(9,694)	(15,560)
Cash and cash equivalents at 1 January		15,559	31,119
Cash and cash equivalents at 31 December		5,865	15,559

The notes on pages 38 to 62 form an integral part of these financial statements.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom.

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 UK and Republic of Ireland'. The functional and presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £'000.

Basis of preparation

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

Summary of disclosure exemptions

The Parent Company has taken advantage of the disclosure exemptions contained in FRS 102 Section 1.12. The Parent Company is included in these consolidated financial statements.

No Profit and Loss Account is presented for the Parent Company as permitted by section 408 of the Companies Act 2006. The Company made a profit after tax of £205,574,000 (2024 - loss after tax of £80,000).

The Company was a wholly owned subsidiary of Grove Limited until 16 October 2025, and subsequently became a wholly owned subsidiary of Mint UK Holdco LLC. By virtue of FRS 102 Section 33.1A, the Barchester Healthcare Group has not disclosed transactions with wholly owned entities that formed part of those respective groups during the periods of their ownership.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Accounting policies (continued)

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2025.

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 income statement 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. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors of the company have prepared combined detailed cash flow forecasts for Barchester Healthcare Limited and its subsidiary undertaking Barchester Healthcare Homes Limited, along with fellow group undertaking London and Inverness Management Services Limited (the "Group") covering a period of at least 12 months from the date of approval of these financial statements. These forecasts consider expectations in relation to occupancy, fee rates, resident mix, labour hours and costs (including agency), other operating costs, rental commitments and planned capital expenditure. The Directors have also modelled several forecasts inclusive of downside sensitivities.

The Group meets its day to day working capital requirements through its cash reserves and funding provided by a parent undertaking, Mint UK Holdco LLC. The forecasts indicate that the Group is expected to maintain adequate liquidity throughout the going concern assessment period. The Directors expect that the Parent Company, Mint UK Holdco LLC will continue to provide funding support where required, consistent with the support provided since the acquisition of the Group in October 2025. While the Directors expect that the Parent Company will continue to provide funding support where required, this funding is not contractually committed. Accordingly, the Directors have considered the Company's ability to operate without such support, including the availability of mitigating actions within management's control, being a reduction of discretionary capital expenditure.

As part of this assessment, the Directors have considered mitigating actions that are within management's control. Forecast capital expenditure is approximately £42 million per annum, of which approximately £24 million per annum is contractually required under the Company's lease arrangements. Accordingly, approximately £18 million per annum is discretionary and could be deferred, reduced or cancelled if required. The Directors therefore consider that there is sufficient flexibility to reduce discretionary capital expenditure should trading performance be below forecast and/or if anticipated parental funding is not received, whilst continuing to meet contractual obligations and maintain operational standards.

The Directors have considered a range of downside scenarios reflecting reasonably possible adverse changes in trading performance. Whilst certain severe but plausible downside scenarios reduce forecast liquidity, the Directors have identified mitigating actions within their control which maintain adequate liquidity throughout the going concern assessment period.

Additionally, the parent company Mint UK Holdco LLC has also indicated its intention not to seek repayment of amounts due by this company to other group undertakings of approximately £10 million, as at the date of the financial statements. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have adequate resources to continue in operational existence for the foreseeable future and for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

The Group makes an estimate of the recoverable value of amounts owed by debtors. When assessing impairment of debtors, management considers factors including the ageing profile of debtors and historical experience.

Investments in equity shares are measured at cost less impairment. The Company evaluates the carrying value of investments on an annual basis by reviewing the performance of the companies in which they have invested.

Where there are indicators of impairment of non-financial assets, the Company determines the recoverable amount as the higher of fair value less costs to sell and value in use. Calculating recoverable amount requires estimation regarding future cash flow projections, discount rates, growth rates, market valuation multiples and costs of disposal.

Revenue recognition

Turnover represents the fair value of the consideration receivable for the provision of care and management services and the sale of independent living units in the ordinary course of business, net of value added tax, discounts and other fee adjustments.

Turnover is recognised when the amount can be measured reliably, it is probable that future economic benefits will flow to the Company, and the related services have been provided.

Care services - turnover from the provision of care services is recognised over time as the services are provided. Fees billed or received in advance of service provision are deferred until the period to which they relate.

Management fee income - management fee income is recognised monthly as the related management services are provided.

Independent living units - where a lease is granted in respect of property, revenue is recognised when the risks and rewards of ownership are transferred to the lessee.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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 income 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 Group operates and generates taxable income.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet 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 historical cost, valuation or acquired fair value of assets less their estimated residual value, other than land and properties under construction, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold land and buildings	Straight line over the lease term
Plant and equipment	Straight line over 4 - 10 years

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 life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 20 years

Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the Company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than the its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment have ceased to apply.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Accounting policies (continued)

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 merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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 receivables.

Stocks

Independent living units are classified as assets held for resale and are stated at the lower of cost and net realisable value. Costs are expenditure incurred in acquiring the independent living units and bringing them to their existing condition. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses.

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 subsequently measured at amortised cost using the effective interest method.

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.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

2 Accounting policies (continued)

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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

Share based payments

Certain of the group's subsidiaries participated in a group-wide cash-settled share-based compensation plan operated and settled by the former ultimate parent company. As the awards were settled by the former ultimate parent, the subsidiary had no obligation to settle the awards and no liability was recognised. Instead, the scheme was classified as an equity-settled share-based payment transaction.

The subsidiary, and the Barchester Healthcare Limited group, recognised a share-based payment expense over the vesting period based on a reasonable allocation of the group expense recognised by the former ultimate parent, determined on the basis of the entities within the group which employed the participating individuals. A corresponding credit was recorded in equity as a capital contribution from the parent.

Barchester Healthcare Limited, the parent company of the Barchester Healthcare Limited group, does not have any share-based payment transactions.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

3 Turnover

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

	2025	2024
	£ 000	£ 000
Care services	972,063	963,596
Sale of independent living units	1,289	3,223
Management fee income	4,261	-
	<u>977,613</u>	<u>966,819</u>

Turnover is generated in the UK and Jersey, which the Directors have considered to be one geographic segment for reporting purposes due to their economic similarities.

4 Operating profit

Arrived at after charging

	2025	2024
	£ 000	£ 000
Depreciation expense	42,798	40,233
Amortisation expense	-	4,669
Impairment loss on tangible assets	42,738	-
Share based payment expense	23,986	5,651
Operating lease expense	165,672	150,235
Intercompany management charges	40,198	10,791
Loss on disposal of tangible fixed assets	(54)	393
Profit on disposal of trade and assets	(9,691)	-
Loss on disposal of subsidiary undertakings	<u>5,625</u>	<u>-</u>

5 Interest receivable and similar income

	2025	2024
	£ 000	£ 000
Interest income on bank deposits	<u>1,702</u>	<u>2,037</u>

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

6 Interest payable and similar expenses

	2025	2024
	£ 000	£ 000
Interest on bank overdrafts and borrowings	329	409
Interest on obligations under finance leases and hire purchase contracts	36,800	40,385
Other finance costs	537	432
	<u>37,666</u>	<u>41,226</u>

7 Staff costs

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

	2025	2024
	£ 000	£ 000
Wages and salaries	470,549	462,376
Social security costs	53,466	41,202
Pension costs, defined contribution scheme	10,593	10,084
Share-based payment expenses	23,986	5,651
	<u>558,594</u>	<u>519,313</u>

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

	2025	2024
	No.	No.
Directors	7	8
Administration and support	1,142	1,089
Care	15,642	16,103
	<u>16,791</u>	<u>17,200</u>

In addition to the values above, staff costs of £39,396,000 (2024: £Nil) relating to 6,894 (2024: Nil) employees were recharged. Although these employees were legally employed by the Company, their duties were performed in care homes owned and operated by third parties.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2025	2024
	£ 000	£ 000
Remuneration	<u>3,279</u>	<u>2,628</u>

In respect of the highest paid Director:

	2025	2024
	£ 000	£ 000
Remuneration	<u>1,198</u>	<u>1,072</u>

During the year, the Company was sold by its former parent company, Grove Limited, and acquired by Mint UK Holdco LLC.

The Directors were employed by another company within the Grove Limited group during the period the Company was a member of this group. The proportion of their remuneration attributable to their services to Barchester Healthcare Limited is included within the disclosures above.

Following the change of ownership, certain Directors became directly employed by the Company and their full remuneration for the remainder of the period is included within the disclosures above. Other Directors appointed following the change in ownership received no remuneration from the Company in respect of their services.

No Directors participated in the Company's share-based payment arrangement in the current or prior year.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

9 Auditor's remuneration

	2025	2024
	£ 000	£ 000
Audit of these financial statements	45	15
Audit of the financial statements of subsidiaries pursuant to legislation	200	176
	<u>245</u>	<u>191</u>

10 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2025	2024
	£ 000	£ 000
Current taxation		
UK corporation tax	1,481	15,776
UK corporation tax adjustment to prior periods	(68)	286
	<u>1,413</u>	<u>16,062</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(3,666)	4,225
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(82)	(651)
Total deferred taxation	<u>(3,748)</u>	<u>3,574</u>
Tax (receipt)/expense in the income statement	<u>(2,335)</u>	<u>19,636</u>

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

10 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2024 - higher than the standard rate of corporation tax in the UK) of 25% (2024 - 25%).

The differences are reconciled below:

	2025 £ 000	2024 £ 000
(Loss)/profit before tax	<u>(31,880)</u>	<u>54,841</u>
Corporation tax at standard rate	(7,970)	13,710
Effect of revenues exempt from taxation	(812)	(932)
Effect of expense not deductible in determining taxable profit	7,656	2,790
Deferred tax credit from unrecognised temporary difference from a prior period	(82)	(651)
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	(68)	286
Tax decrease arising from group relief	(5,290)	(1,656)
Tax increase from transfer pricing adjustments	4,231	6,178
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>(89)</u>
Total tax (credit)/charge	<u>(2,335)</u>	<u>19,636</u>

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

10 Taxation (continued)

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000
2025		
Fixed assets timing differences	-	4,290
Other timing differences	198	-
	<u>198</u>	<u>4,290</u>
2024	Asset £ 000	Liability £ 000
Fixed assets timing differences	-	12,120
Other timing differences	221	-
	<u>221</u>	<u>12,120</u>

Global minimum top-up tax

The Group is within the scope of the OECD's Pillar Two model rules on global minimum taxation.

For the year ended 31 December 2025, the total tax charge includes no amount in respect of top-up tax.

The Group has applied the temporary exemption from recognising and disclosing deferred tax assets and liabilities related to top-up tax, as permitted by the May 2023 amendment to FRS 102.

Any amounts arising from Pillar Two top-up tax will be recognised as a current tax expense in the period in which the liability is incurred.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

11 Tangible assets

Group

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Properties under construction £ 000	Total £ 000
Cost or valuation				
At 1 January 2025	439,254	326,214	14,549	780,017
Additions	40,837	30,169	34,936	105,942
Transfers	1,749	30,960	(32,709)	-
Disposals	(446,162)	(58,775)	(1,568)	(506,505)
At 31 December 2025	<u>35,678</u>	<u>328,568</u>	<u>15,208</u>	<u>379,454</u>
Depreciation				
At 1 January 2025	106,579	206,921	-	313,500
Charge for the year	13,570	29,227	-	42,797
Eliminated on disposal	(100,882)	(30,974)	-	(131,856)
Impairment	-	42,738	-	42,738
At 31 December 2025	<u>19,267</u>	<u>247,912</u>	<u>-</u>	<u>267,179</u>
Carrying amount				
At 31 December 2025	<u>16,411</u>	<u>80,656</u>	<u>15,208</u>	<u>112,275</u>
At 31 December 2024	<u>332,675</u>	<u>119,293</u>	<u>14,549</u>	<u>466,517</u>

Included within the net book value of land and buildings above is £Nil (2024 - £Nil) in respect of freehold land and buildings, £16,411,000 (2024 - £332,675,000) in respect of long leasehold land and buildings and £Nil (2024- £Nil) in respect of short leasehold land and buildings.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

11 Tangible assets (continued)

Impairment

Following the change in ownership during the year, the Company entered into new lease agreements in respect of the care homes it leases, resulting in increased rental costs. The increase in rental costs and the resulting impact on profits and cash flows were identified as indicators of impairment, and the Company therefore performed an impairment assessment of its tangible fixed assets.

Each care home was identified as a separate cash-generating unit (CGU) as the cash inflows generated by each home are largely independent of those generated by other homes. Assets were allocated to the relevant CGU where possible.

The recoverable amount of assets allocated to individual care home CGUs was determined based on fair value less costs to sell.

Fair value for each care home CGU was estimated by applying a multiple to each care home's forecast EBITDA for 2026, as approved by the Directors. The multiple applied was based on an industry standard multiple of 5 times, with this multiple adjusted downwards to 4 times for homes with a 'Requires Improvement' regulatory rating and upwards to 5.5 times for homes with an 'Outstanding' regulatory rating. The forecast EBITDA for each care home included an allocation of overheads based on 5% of the individual care home's turnover.

Estimated costs of disposal were also considered in determining fair value less costs to sell.

Assets not directly attributable to individual CGUs were assessed separately. No impairment was identified in respect of these assets.

As a result of the impairment assessment, an impairment loss of £42,738,000 was recognised in the year.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2025 £ 000	2024 £ 000
Land and buildings	-	310,657
Motor vehicles	3,193	3,949
	<u>3,193</u>	<u>314,606</u>

Capitalised borrowing costs

Within the cost of plant and equipment are capitalised borrowing costs of £2,499,000 (2024 - £2,499,000).

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

12 Investments

Company

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2025	18,841
At 31 December 2025	18,841
Carrying amount	
At 31 December 2025	18,841
At 31 December 2024	18,841

Details of undertakings

Details of the investments in which the Company holds any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2025	2024
Subsidiary undertakings				
Barchester Healthcare Homes Limited	England and Wales	Ordinary	100%	100%
Barchester Assisted Living Properties (Stamford Bridge) Limited	England and Wales	Ordinary	0%	100%
Barchester Assisted Living Properties (Chacombe) Limited	England and Wales	Ordinary	0%	100%
Barchester Assisted Living Properties Limited	England and Wales	Ordinary	0%	100%
Barchester Assisted Living Properties (Chorleywood) Limited	England and Wales	Ordinary	0%	100%
Barchester Assisted Living Properties (Edgbaston) Limited	England and Wales	Ordinary	0%	100%
Barchester Assisted Living Properties (Southgate) Limited	England and Wales	Ordinary	0%	100%
Lakeside Residential Home Limited	Jersey	Ordinary	100%	100%
Lakeside Residential Home (2002) Limited	Jersey	Ordinary	100%	100%
Mermaid Tavern (2002) Limited	Jersey	Ordinary	100%	100%
Westminster Health Care New Limited	England and Wales	Ordinary	0%	100%

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

12 Investments (continued)

Barchester Nominee (No.1) Limited	England and Wales	Ordinary	100%	100%
Barchester Wales Limited	England and Wales	Ordinary	100%	100%

Subsidiaries disclosed above but with no principal activity description below were dormant in the current and preceding year.

The principal activity of Barchester Healthcare Homes Limited is the management of nursing and residential care homes.

The principal activity of Lakeside Residential Home (2002) Limited is the management of a care home.

The principal activity of Barchester Assisted Living Properties (Stamford Bridge) Limited, Barchester Assisted Living Properties (Chacombe) Limited, Barchester Assisted Living Properties Limited, Barchester Assisted Living Properties (Chorleywood) Limited, Barchester Assisted Living Properties (Edgbaston) Limited and Barchester Assisted Living Properties (Southgate) Limited is the sale of sheltered housing to the frail and elderly on long leases.

The principal activity of Lakeside Residential Home Limited is that of an intermediate holding company.

The registered office address of Barchester Wales Limited is One Central Square, Cardiff, United Kingdom, CF10 1FS.

The registered office address of Barchester Healthcare Homes Limited and Barchester Nominee (No.1) Limited is 3rd Floor, The Aspect, 12 Finsbury Square, London, EC2A 1AS.

The registered office address of the remaining subsidiaries registered in England and Wales is 5 Churchill Place, 10th Floor, London, E14 5HU.

The registered office address of those companies registered in Jersey is 44 Esplanade, St Helier, Jersey, JE4 9WG.

For the year ending 31 December 2025, the following companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Barchester Nominee (No.1) Limited and Barchester Wales Limited.

13 Disposals

On 17 October 2025, the Group disposed of the trade, assets and liabilities associated with 85 care homes to Scarborough Hall Limited, a fellow group undertaking under common control at the transaction date. The gain on disposal was £9,691,000 (see note 4).

On 18 October 2025, the Group disposed of its interests in Barchester Assisted Living Properties (Stamford Bridge) Limited, Barchester Assisted Living Properties (Chacombe) Limited, Barchester Assisted Living Properties Limited, Barchester Assisted Living Properties (Chorleywood) Limited, Barchester Assisted Living Properties (Edgbaston) Limited, Barchester Assisted Living Properties (Southgate) Limited and Westminster Health Care New Limited.

The loss on disposal of these companies was £5,625,000 (see note 4) and they contributed £38,000 to the Group profit.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

14 Stocks

Group

	2025 £ 000	2024 £ 000
Consumables	728	830
Assets held for resale	-	7,497
	<u>728</u>	<u>8,327</u>

Assets held for resale consist of independent living units which have been developed by the Group and are held pending resale under long-term lease arrangements. At the balance sheet date, the Group held no such assets (2024: £7,497k). Assets held for resale are stated net of provisions of £Nil (2024: £63,000).

15 Debtors

	Group		Company	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Trade debtors	15,211	27,787	47	-
Amounts owed by related parties	-	318,159	17,492	86,819
Other debtors	45,169	1,206	-	-
Prepayments and accrued income	35,975	46,485	-	-
Corporation tax debtor	17,450	7,717	-	-
	<u>113,805</u>	<u>401,354</u>	<u>17,539</u>	<u>86,819</u>

Amounts due from related parties stated above are legally due on demand and are thus recoverable within one year. It is not expected that a demand for these amounts will be made within the next year.

Included within other debtors is £24,098k relating to rent settlement amounts.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

16 Creditors

	Group		Company	
	2025	2024	2025	2024
	£ 000	£ 000	£ 000	£ 000
Due within one year				
Loans and borrowings	1,006	5,676	-	-
Trade creditors	11,084	17,201	-	-
Amounts due to related parties	91,480	103,622	10,592	81,689
Social security and other taxes	13,827	13,369	-	-
Outstanding defined contribution pension costs	1,658	1,891	-	-
Other payables	20,614	19,913	-	-
Accrued expenses and deferred income	57,155	95,333	-	-
Corporation tax liability	-	-	2,043	2,106
	<u>196,824</u>	<u>257,005</u>	<u>12,635</u>	<u>83,795</u>
Due after one year				
Loans and borrowings	<u>2,187</u>	<u>366,394</u>	<u>-</u>	<u>-</u>

Amounts due to related parties are legally due on demand and are thus due within one year, although it is not expected that a demand for these amounts will be made within the next year.

Other payables include amounts relating to unpaid wages and salaries and accrued holiday entitlements.

17 Deferred tax and other provisions

Group	Deferred tax	Total
	£ 000	£ 000
At 1 January 2025	11,899	11,899
Increase in existing provisions	(3,748)	(3,748)
Decrease through disposals	<u>(4,059)</u>	<u>(4,059)</u>
At 31 December 2025	<u>4,092</u>	<u>4,092</u>

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

18 Pension and other schemes

Defined contribution pension scheme

Certain Group companies operate defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. The pension charge for the year represents contributions payable by the Group to the scheme and amounted to £10,593,000 (2024 - £10,084,000).

Contributions totalling £1,658,000 (2024 - £1,891,000) were payable to the scheme at the end of the year and are included in creditors. The amounts due were paid in full post year-end.

19 Share capital

Allotted, called up and fully paid shares

	2025		2024	
	No.	£ 000	No.	£ 000
Ordinary shares of £0.25 each	51,650,824	12,913	51,650,824	12,913

20 Loans and borrowings

	Group	
	2025	2024
	£ 000	£ 000
Current loans and borrowings		
HP and finance lease liabilities	1,006	5,676

	Group	
	2025	2024
	£ 000	£ 000
Non-current loans and borrowings		
HP and finance lease liabilities	2,187	366,394

Group

Included in the loans and borrowings are the following amounts due after more than five years:

	2025	2024
	£ 000	£ 000
After more than five years by instalments	-	340,592
After more than five years not by instalments	-	-
	-	340,592

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

21 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2025	2024
	£ 000	£ 000
Not later than one year	1,006	46,925
Later than one year and not later than five years	2,187	187,487
Later than five years	-	875,326
	<u>3,193</u>	<u>1,109,738</u>

Operating leases

The future minimum lease payments below include all obligations relating to care homes and hospitals occupied by the Company. The leases relating to these properties are legally held by London and Inverness Management Services Limited, a fellow group undertaking, but all associated lease costs are recharged to the Company in full.

The total of future minimum lease payments is as follows:

	2025	2024
	£ 000	£ 000
Not later than one year	198,034	155,585
Later than one year and not later than five years	803,496	618,864
Later than five years	4,876,770	1,243,207
	<u>5,878,300</u>	<u>2,017,656</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £165,673,000 (2024 - £150,235,000).

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

22 Share-based payments

Grove Limited

Scheme details

Some of the Group's employees participated in a group-wide cash-settled share-based payment scheme operated and settled by the former ultimate parent company, Grove Limited.

Under the scheme, employees were given the option to subscribe for two classes of redeemable ordinary shares ("C shares" and "D shares") in the former ultimate parent company, with the former ultimate parent company committing to repurchasing these shares from employees at the end of the vesting period. The value attributable to these shares at any time was equal to the ordinary share price less the hurdle share price, multiplied by the Growth Percentage where applicable. The Growth Percentage was a figure between 0% and 100% which was based on the achievement of certain performance conditions. The awards vested on either their specified redemption dates or upon the occurrence of an exit event, and were subject to a continuing service condition. All such shares were redeemed during the current year.

The movements in the number of share awards during the year were as follows:

	2025	2024
	Number	Number
Outstanding, start of period	1,922,516	2,658,141
Granted during the period	-	250,000
Exercised during the period	(1,922,516)	(985,625)
Outstanding, end of period	<u>-</u>	<u>1,922,516</u>

The movements in the weighted average exercise price during the year were as follows:

	2025	2024
	£	£
Outstanding, start of period	1.61	0.79
Granted during the period	-	7.15
Exercised during the period	1.61	0.81
Outstanding, end of period	<u>-</u>	<u>1.61</u>

Effect of share-based payments on profit or loss and financial position

The total expense recognised in profit or loss for the year was £23,986,000 (2024 - £5,651,000).

The total carrying amount of the liabilities arising from share-based payments at the end of the year was £Nil (2024 - £Nil).

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

23 Commitments

Capital commitments - Group

At several of its homes, the Group was progressing with refurbishment works which were in progress as at the year-end.

The total amount contracted for but not provided in the financial statements was £725,000 (2024 - £19,137,000).

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

24 Related party transactions

Group

Summary of transactions with other related parties

During the year, the Group made a charitable donation of £207,000 (2024: £200,000) to the independent Barchester Healthcare Foundation, of which Pete Calveley is a Trustee.

During the year, the Company leased properties on operating leases from Limecay Limited. Until 23 October 2025, the Company and Limecay Limited were related parties by virtue of being under common control. Subsequent to this date, Limecay Limited ceased to be a related party. Rent payable to Limecay Limited in the period to 23 October 2025 was £104,556,000 (2024: £125,469,000). At the prior year end, the prepayment recognised in respect of rent payments by the Company to this related party was £29,006,000.

During the year, the Company leased properties on finance leases from GCH (Two) Limited, GCH (Three) Limited, GCH (Four) Limited, GCH (Five) Limited, GCH (Six) Limited and GCH (Seven) Limited. Until 23 October 2025, these entities were related parties by virtue of being under common control. Subsequent to this date, they ceased to be related parties.

Lease payments made to GCH (Two) Limited during the period to 23 October were £3,113,000 (2024: £4,050,000). The finance lease liability payable to GCH (Two) Limited at the prior year end amounted to £33,589,000.

Lease payments made to GCH (Three) Limited during the period to 23 October 2025 were £3,287,000 (2024: £4,276,000). The finance lease liability payable to GCH (Three) Limited at the prior year end amounted to £35,909,000.

Lease payments made to GCH (Four) Limited during the period to 23 October 2025 were £3,363,000 (2024: £3,781,000). The finance lease liability payable to GCH (Four) Limited at the prior year end amounted to £34,760,000.

Lease payments made to GCH (Five) Limited during the period to 23 October 2025 were £2,726,000 (2024: £1,908,000). The finance lease liability payable to GCH (Five) Limited at the prior year end amounted to £25,906,000.

Lease payments made to GCH (Six) Limited during the period to 23 October 2025 were £2,404,000 (2024: £2,248,000). The finance lease liability payable to GCH (Six) Limited at the prior year end amounted to £25,396,000.

Lease payments made to GCH (Seven) Limited during the period to 23 October 2025 were £665,000 (2024: £Nil). The finance lease liability payable to GCH (Seven) Limited at the prior year end amounted to £Nil.

Barchester Healthcare Limited

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

25 . Parent and ultimate parent undertaking

Until 16 October 2025, the Company's immediate parent was Barchester Holdco (Jersey) Limited, incorporated in Jersey, and its ultimate parent and controlling party was Grove Limited, also incorporated in Jersey.

From 16 October 2025, the Company's immediate parent undertaking and ultimate controlling party is Mint UK Holdco LLC, incorporated in the United States of America.