Company Name:- Equinox (Eclipse 2006-1) plc

Headline:- Ashbourne Portfolio Whole Loan – Update on the Portfolio

Date:- 16 May 2022

EQUINOX (ECLIPSE 2006-1) PLC

a public limited company incorporated in England and Wales with company registration number 5807977

(the "**Issuer**")

NOTICE TO THE HOLDERS OF

£329,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2018
ISIN: XS0259279585

£18,500,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2018
ISIN: XS0259280088

£19,500,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2018
ISIN: XS0259280161

£22,500,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2018
ISIN: XS0259280591

£8,000,000 Class E Commercial Mortgage Backed Floating Rate Notes due 2018
ISIN: XS0259280674

£3,840,000 Class F Commercial Mortgage Backed Floating Rate Notes due 2018
ISIN: XS0259280914

(together, the "**Notes**")

The Notes are admitted to the official list of the Irish Stock Exchange plc and to trading on its regulated market.

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 (market abuse regulation) requires disclosure by or on behalf of the Issuer of any inside information concerning the Issuer. The EU Market Abuse Regulation (596/2014) requires disclosure of inside information relating to the Issuer.

The Special Servicer has made the following information available to the Issuer. The Issuer notes that it has not been involved in the preparation of this information and in accordance with normal practice, the Issuer expresses no opinion in respect of the information contained in this Notice. Furthermore, this Notice is issued without prejudice to any and all of the Issuer's rights under the Transaction Documents relating to the Notes, all of which are expressly reserved.

This Notice is solely directed to the holders of the Notes ("**Noteholders**") and should not be relied upon or used by any other person.

Please note that, in accordance with normal practice, neither the Trustee nor any of its advisors has been consulted or involved in the formulation or negotiation of the matters contemplated by this Notice or has verified the information contained in any part of this Notice.

Further neither the Trustee nor any of its advisors expresses any opinion as to the merits or purpose of the matters contemplated by this Notice or as to the action the Noteholders should take in relation to them.

Neither the Trustee nor any of its advisors makes any representation regarding the accuracy, sufficiency, relevance or otherwise of any information contained in this Notice or otherwise disclosed or to be disclosed to the Noteholders in connection with the matters contemplated by this Notice or that all relevant information has been disclosed to Noteholders in this Notice or otherwise. Neither the Trustee nor any of its advisors accepts any liability in relation to the matters contemplated by this Notice. Accordingly, the Trustee urges Noteholders who are in any doubt as to the impact of the matters contemplated by this Notice to seek their own independent financial and/or legal advice.

Capitalised terms used but not defined in this Notice shall have the meanings given to them in the Prospectus dated 28 June 2006 issued by the Issuer (the "**Prospectus**").

Background

The Special Servicer refers Noteholders to the RIS announcement relating to the Issuer and released on the Irish Stock Exchange website on 16 February 2022 (the "**16 February Announcement**).

In the 16 February Announcement, the Special Servicer affirmed to Noteholders that, among other things, that seventeen trading care homes are currently being marketed for sale.

The Special Servicer refers Noteholders to the RIS announcement relating to the Issuer and released on the Irish Stock Exchange website on 9 May 2022 (the "**9 May Announcement**").

In the 9 May Announcement, the Special Servicer affirmed to Noteholders that, among other things, that completion had occurred for the sale of a trading care home for a gross consideration of £1.76m.

Update on the Strategy for the Portfolio

To date, since the launch of the piecemeal disposal strategy for the portfolio, seventeen properties marketed as trading care homes have now been sold.

In addition, fourteen properties marketed as closed care homes have now been sold.

Currently, nineteen trading care homes and a closed care home are being marketed for sale.

Ultimately, it is the intention of the Special Servicer, working with the Asset Manager and the Operator to continue preparing batches of trading homes for future marketing for sale so that eventually the entire portfolio is sold and recoveries made for the Lenders.

Covid-19

An update on the effects the current Coronavirus outbreak is having on the UK-mainland and Northern Ireland operations is included in the respective trading updates set out in Schedule 1 of the notice.

In terms of the effects on the disposal strategy, the lock-down of the care home sector and specifically the Larchwood Care business during 2020/21, resulted in any non-essential visits being prohibited.

This in turn meant that no visits by buyers' advisors (e.g. valuers) were permitted and hence, the anticipated timeframes for progressing the sales were elongated as a consequence.

As the restrictions have eased, this has enabled the Operators to permit more widespread, third-party access to the properties and this easing supports the continued intention to market further care homes for sale in the next 12 months.

UK-mainland portfolio

Closed properties

Currently, there are six closed properties remaining namely:

a) three (Copper Beeches, Heathmount and Silver Birches, situated on the same site) and following the receipt of the "pre-app" response from the planners on the site, a data-room has been established for use in the sale of the properties and a sales agent has been engaged to undertake the marketing for sale of the site.

   Marketing of the three-property site was completed and an offer accepted. Subsequently, the proximity of Japanese knotweed close to the boundary of the site (& the neighbouring property) precluded the buyer from progressing matters and they withdrew their offer.

   Whilst the presence of the knotweed has historically been managed by a specialist contractor, it is now to be aggressively treated and where possible removed, such that it will permit the re-marketing of the site to commence within the next 3 months, likely towards the end of the summer period.

b) a closed care home located in Droitwich that was deemed uneconomic to continue operating and has potential "alternative use" opportunities that could provide enhanced recoveries in a future sale process.

   This property is currently being reviewed for possible residential redevelopment options, in advance of being marketed for sale.

c) a closed care home located in Huddersfield that was deemed uneconomic to continue operating and which having been marketed for sale, is currently under offer and in the legal process.

d) a closed care home located in Huddersfield that was deemed uneconomic to continue operating.

   This property is currently being reviewed for possible residential redevelopment options, in advance of being marketed for sale.

   A sales agent has been selected to undertake the marketing of the property and once sales particulars have been prepared together with floor plans and an EPC, depending upon the prospects for residential redevelopment (which may result in the sales process being deferred), marketing will commence.

Below is a summary of the number of closed care homes remaining in the Ashbourne portfolio.

Status	Location	No of homes	For sale	%age for sale	Offer Accepted	In the legal process	Contracts Exchanged
Closed	England	6	1	17%	1	1	0

Once the marketing processes have been launched and the sale of the closed properties develop toward a conclusion, the Special Servicer will update noteholders accordingly.

Trading care homes

Following the completion of the various sales, currently there are four care homes that having been marketed for sale, are now in legal documentation.

Below is a summary of the number of trading care homes remaining in the Ashbourne portfolio.

Status	Location	No of homes	For sale	%age for sale	Offer Accepted	In the legal process	Contracts Exchanged
Trading	England	24	11	46%	3	3	1
“	Scotland	6	1	17%	1	1	1
“	NI	7	7	100%	0	0	0
	Total	37	19	51%	4	4	2

Currently, a trading care home located in Scotland that has been deemed uneconomic to continue operating, is in the process of being closed.

The Special Servicer has chosen not to identify such assets so as not to detract from the future trading and marketing for sale of such businesses, however it will update noteholders as the various disposal processes develop.

For those trading homes that are in the course of legal documentation, approval will be required from the relevant regulator for the proposed change of registration to the proposed new owner, with the latter taking up to 26 weeks to conclude.

As the sales processes for the remaining trading care homes develop toward a conclusion, the Special Servicer will update noteholders accordingly.

Going forward, the Special Servicer in conjunction with the Asset Manager and the Operator, will continue to select further batches of care homes to be assessed for possible disposal and thereafter placed with a sales agent for marketing.

Northern Ireland portfolio

As previously disclosed, following the conclusion of the marketing process, the primary bidders completed visits to the care homes, to enable them to refine and ultimately finalise their bids.

Following receipt of best & final bids, a preferred bidder was selected to proceed to the second phase of due diligence, toward eventually completing the acquisition of the portfolio.

Whilst the preferred bidder commenced its due diligence, the funder supporting the acquisition withdrew from the transaction, for reasons entirely outside of the control of the preferred bidder, the Special Servicer or the Borrower and unconnected to the portfolio itself.

Consequently, the sales agent is now pursuing the interest previously expressed in the portfolio and other avenues of interest, as we consider that a sale of the entire business, compared to individual home sales, will maximise recoveries to the lenders.

Notwithstanding this recent turn of events, the Northern Ireland portfolio continues to operate at consistently high levels of occupancy and EBITDARM generation, as evidenced by the most recent quarterly trading update herein.

As the renewed marketing process develops, the Special Servicer will update noteholders accordingly.

Larchwood portfolio summary

Below is a summary of the number of care homes remaining in the Ashbourne portfolio, their status (e.g. Closed or Trading) and the number of properties currently being marketed for sale.

Status	Location	No of homes	For sale	%age for sale	Offer Accepted	In the legal process	Contracts Exchanged
Closed	England	6	1	17%	1	1	0
Status	Location	No of homes	For sale	%age for sale	Offer Accepted	In the legal process	Contracts Exchanged
Trading	England	24	11	46%	3	3	1
“	Scotland	6	1	17%	1	1	1
“	NI	7	7	100%	0	0	0
	Total	37	19	51%	4	4	2
	Total	43	20	47%	5	5	2

Trading Update

Similar to the 16 February Announcement, the Special Servicer requested of the Asset Manager and the Operators (HealthCare Management Solutions and Care Circle), that updated trading information on the respective businesses be prepared for disclosure to noteholders.

Such data has now been prepared and verified by the Operators and this is outlined in the attached Schedule 1.

Priority of Payments

As reported in the 16 February Announcement, following the restructure & restatement of the Ashbourne Whole Loan in December 2013, a re-ordering of the priority of payments was concluded.

The Special Servicer considers that it is beneficial to Noteholders to re-affirm such priority of payments and to that end (and for ease of understanding), below is a table showing the existing priority of payments waterfall, under the current Material Non-Payment Default of the Ashbourne Portfolio Whole Loan including those items that rank senior to the repayment of the principal amount outstanding of the Priority A Principal Loan.

The following excerpt of the waterfall as set out in the November 2013 Amended and Restatement Facility Agreement provides a description of (and amounts due) to certain creditors and the order in which any amounts received from the Borrower are applied by the Agent or Security Trustee. Payments subject to the waterfall which rank below the categories set out in the excerpt are not expected to be recovered and so are not included.

All the data therein is as at 18 April 2022 and has been reviewed and confirmed by the Agent as correct.

Rank	Description	Amount Outstanding (£)	Cumulative Amount Outstanding (£)
1st	In or towards payment pro-rata of any due & payable Asset Management Fee (provided that no Asset Management Fee Subordination Event has occurred)	Nil	Nil
2nd	In or towards payment pro-rata of any unpaid fees, costs and expenses of the Agent and Security Trustee under the Finance Documents	Nil	Nil
3rd	In or towards payment pro-rata of:		
(A) *	any accrued interest or commission which has accrued due after 21 November 2013 (the "Effective Date") but is unpaid to the Priority A Lenders; and	Nil	Nil
(B)	any periodic payments (not being as a result of termination or closing out) which have accrued due after the Effective Date but are unpaid to the hedging bank in respect of the Priority A Hedging Liabilities	Nil	Nil
4th	In or towards payment pro-rata of:		
(A) *	interest due but unpaid on the Outstanding Priority A Interest Advance	Nil	Nil
(B) *	interest due but unpaid on the Outstanding Priority A Amortisation Advance	Nil	Nil
(C)	interest due but unpaid on the Outstanding Priority A Hedging Advance; and	Nil	Nil
(D)	interest due but unpaid on the Outstanding LPI Hedging Advance	Nil	Nil
5th	In or towards payment pro-rata of:		
(A) *	the Outstanding Priority A Interest Advance	Nil	Nil
(B)	the Outstanding Priority A Hedging Advance; and	Nil	Nil

(C)	the Outstanding LPI Hedging Advance	Nil	Nil
6th	In or towards payment pro-rata of:		
(A) *	the Outstanding Priority A Amortisation Advance	292,213.34	292,213.34
(B) *	the Outstanding Priority A Principal Advance (including for the avoidance of doubt, any unpaid Priority A Amortisation Payments and unpaid Priority A Amortisation Payments deferred pursuant to Clause 5.1.3 of the November 2013 Amended and Restated Facility Agreement; and	107,031,440.41	107,323,653.75
(C)	Any payments due but unpaid to the hedging Bank as a result of the termination or closing out in respect of the Priority A Hedging Liabilities	Nil	107,323,653.75

For good order and ease of understanding, please note the following definitions:

Asset Management Fee – monthly fee due to the Asset Manager

Agent – The Royal Bank of Scotland PLC

Security Trustee – The Royal Bank of Scotland PLC

Priority A Lenders – Equinox (Eclipse 2006-1) PLC and Hercules (Eclipse 2006-4) PLC

Hedging Advance Lender – The Royal Bank of Scotland

LPI Hedging Advance Lender – The Royal Bank of Scotland

***** - the claims denoted with an asterisk relate to funds that will flow to the Issuer waterfalls

FURTHER UPDATES

The Special Servicer continues to evaluate various options in relation to maximising recoveries under the Priority A Loan. The Special Servicer will continue to update the Issuer as the process develops.

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Date: 16 May 2022

Schedule 1

Larchwood Care Trading Update

Disclaimer

This interim management statement (the "**Update Statement**") has been prepared by Healthcare Management Solutions Limited ("**HCMS**") and Care Circle Management Limited ("**Care Circle**"), managers of the Operators of the Larchwood Care UK-mainland and Larchwood Care Northern Ireland portfolios respectively.

Larchwood Care is the "trading name" of the care home business that comprises the security for the Ashbourne Portfolio Loan.

Further information can be found on the Larchwood Care websites at:

http://www.larchwoodcare.co.uk/ (UK-mainland portfolio); and

http://www.larchwoodni.com/ (Northern Ireland portfolio)

Nothing in this Update Statement constitutes any financial product, investment, tax, accounting or legal advice or promotion in respect of or any inducement, invitation endorsement or offer to invest or deal in any assets, securities or financial instruments in any jurisdiction. Accordingly any person in receipt of this Update Statement should not rely on or use this Update Statement for any purpose, in particular trading any debt or securities issued by any entity.

This Update Statement may include certain projections and forward looking statements. Such projections and forward looking statements reflect various assumptions of Care Circle, HCMS or their advisers concerning future performance and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Care Circle and HCMS. Accordingly, there can be no assurance that such projections or forward looking statements will be realised. Actual results may vary from anticipated results and such variations may be material.

The statements included in this Update Statement have not been audited or independently verified and are management estimates. No responsibility or liability is or will be accepted by Care Circle, HCMS or any other party, or any of their respective officers, affiliates, advisers, agents and representatives, in relation to the accuracy or completeness of this Update Statement or any other written or oral information made available to any person in receipt of these materials and any such liability is expressly disclaimed.

Neither Care Circle, HCMS, nor any of its respective officers, affiliates, advisers, agents or representatives undertakes any obligation to update any of the information contained in this Update Statement or to correct any inaccuracies herein which may become apparent.

Larchwood (UK Mainland Portfolio)

Unaudited trading statement as at 31 March 2022

Introduction

Note that this trading statement should be read in conjunction with the previous trading updates provided in the Notices to Noteholders, the most recent being dated 16 February 2022.

As detailed previously, seven homes were sold as going concerns during the 12 months to 31 December 2021 being Nether Hall (29 January 2021), Laureate Court (8 February 2021), White Rose (29 March 2021), St Mary's (6 April 2021), Nayland House (25 June 2021), Sowerby (4 August 2021) and Ty Dinas (9 August 2021).

No sales completed in the three months to 31 March 2022.

The closure of three homes (Bryan Wood, Ravenstone and Rose Martha) commenced in August 2021 and were completed in October 2021, October 2021 and September 2021 respectively.

Furthermore, the commencement of the closure of two further homes commenced in the quarter to 31 March 2022 being Alwoodleigh and Broomfield. The closure of Alwoodleigh completed in April 2022 whilst the closure of Broomfield is expected to complete by the end of June 2022.

The results and KPIs for the twelve homes detailed above have been excluded from the figures in this update, therefore all results and KPIs are presented on a like for like (LFL) basis.

Therefore, unless otherwise stated, the figures in this update only include the results for the 30 homes ('the Homes') that were trading, and not in the course of closure, as at 31 March 2022.

The results & KPIs for Swan House, which was sold on 9 May 2022, are included within this report as the home traded for the whole of the quarter to 31 March 2022.

As and when further homes are sold or closed, the results from these homes will be excluded from the figures in the future updates with adjustments made to the LFL figures as required.

Summary Financial Performance – 3 months to March 2022

The trading results and main KPI's for the three months to March 2022 are summarised as follows:

	LFL Adjusted 3 months to 31-Mar-21 £'m	**LFL Adjusted** 3 months to 31-Dec-21 £'m	**LFL Adjusted** 3 months to 31-Mar-22 £'m	Variance to Like For Like quarter in prior year £'m	Variance to prior quarter £'m
Fee Income	11.48	12.28	11.80	0.32	(0.48)
Staff Costs	(7.83)	(8.20)	(8.47)	(0.64)	(0.27)
Operating Costs	(0.62)	(0.64)	(0.64)	(0.02)	-
Indirect Costs	(1.42)	(1.79)	(1.65)	(0.23)	0.14
EBITDARM	**1.61**	**1.65**	**1.04**	**(0.57)**	**(0.61)**
KPIs					
Usable Beds	1,408	1,408	1,408	-	-
Average occupancy	1,145	1,140	1,112	(33)	(28)
Average occupancy (%)	81.3%	81.0%	79.0%	(2.3%)	(2.0%)
Spot occupancy at period-end	1,132	1,111	1,134	2	23
Spot occupancy at period-end (%)	80.4%	78.9%	80.5%	0.1%	1.6%
Average weekly fee	780	820	825	45	5

CAPEX	0.28	0.37	0.53	0.25	0.16
Staff costs as a % of Fee Income	68.2%	66.8%	71.8%	(3.6%)	(5.0%)

Notes:
EBITDARM means earnings before Operator Central Costs, interest costs, tax, depreciation, amortisation, License Fee, the Management Fee, the Incentive Fee (if applicable)
The calculation of Average Weekly Fee throughout this update excludes non Covid-19 'Other Income' which is included in the Fee Income figures included in the table above

EBITDARM decreased c.£0.61 million (37%) quarter-on-quarter principally as a result of two factors directly driven by the Covid-19 pandemic as follows:

- Average occupancy decreased by an average of 28 clients quarter-on-quarter. Whilst the number of deaths in the quarter was significantly down on prior years (27% down on Q1 2021 and down 25% on Q1 2020), the number of admissions was materially down on expectations as a result of the majority of the Homes being in 'outbreak' status for varying periods in the quarter and thus closed for admissions

- Staff costs increased by £270,000 (3.3%) quarter-on-quarter impacted by the number of staff who were required to isolate in the quarter due to positive Covid-19 tests. This required additional shifts from existing staff members and the increased use of agency staff in the quarter

Across the quarter, the results for March 2022 were significantly better than for January and February 2022 and it is anticipated that the significant adverse impacts on profitability from Covid-19 factors will lessen moving forward.

Whilst State funding had been accounted for by the Group in respect of Covid-19 financial assistance in all the quarters presented, this funding has been excluded from the figures in the table above. The impact of Covid-19 has meant that meaningful comparisons with prior periods are almost impossible to draw.

The increases in staffing costs associated with managing these unprecedented challenges, the increased costs of supplies, reductions in occupancy and compensatory support payments all add to these difficulties. In addition, an element of the funding received has been used to invest into capital projects that have been initiated in respect of infection control; the recognition of this element of the funding as income would be misleading.

We have therefore taken a simplistic view and excluded Covid-19 financial assistance from the results and whilst this does not eradicate the distortion, it is seen as a practical way of allowing some comparisons to be made between quarters. However, we would urge caution in drawing any firm conclusions for the reasons set out above.

Note that the main source of Covid-19 financial assistance historically received by the Group, being grants from the Infection Control Fund received by the English homes, ceased from 1 April 2022. As such, only very limited mitigation will be available moving forward to offset the adverse impacts of Covid-19 on the future trading results.

Covid-19

Covid-19 continued to have an impact on the Homes during the quarter to 31 March 2022.

The Omicron variant of the virus continued to be prevalent in the quarter. This resulted in homes being closed to visitors and new admissions for lengthy periods, the latter having a significant impact on fee income for the quarter.

Both client and staff infections were high and where more than one client or staff member contract the infection, the homes can be closed by Public Health England or Scotland. For the homes in England, a closure period of 14 days from the last positive test was the typical period albeit, on a home-by-home, every effort has been made to agree a reduced period with the relevant authority where possible.

On average, the number of days that each home was closed to admissions was 16.3 days in January, 8.8 days in February and 6.0 days in March.

In terms of the impact on the clients, hospital admissions were not required in the main as the high level of vaccination in the client population helped keep serious illness largely at bay. However, regrettably, three Covid-19 related deaths were reported in the quarter.

Community transmission of the Omicron variant significantly impacted the staff team. In March 2022, the Homes had up to 25% of staff isolating at any one point in time and the average maximum percentage of staff absent due to mandated isolation was 6.7%.

The number of staff who had received the double vaccination improved from 94.4% at the start of the quarter to 95.2% at 31 March 2022. Excluding those medically exempt, the percentage increased to 96.6%.

Restrictions on the numbers of visitors to the Homes were introduced during the previous quarter due to the significant increase in transmission rates. These restrictions continued into the quarter to 31 March 2022. Whilst there was general disappointment, the significant majority of the relatives and friends of the clients accepted that this was a reasonable step to take given what was known about the new variant at that time.

The management of key suppliers and contractors to maintain essential supplies and competitive pricing continues to be a major focus requiring daily input from the management team. Maintenance of food and medical supplies (excluding PPE) continued to be problematic, as has securing provision of planned preventative maintenance checks.

PPE supplies in Scotland are not free of charge as they are in England. All homes in Scotland saw PPE costs remaining high in this quarter.

From 1 April 2022, Covid-19 support ceased in England, although it remains in place until 30 June 2022 in Scotland. We are continuing to pay staff forced to self-isolate in line with our main competitors and will review this position at the end of June 2022.

Occupancy

On a LFL basis for the 30 homes in the portfolio as at 31 March 2022, average occupancy for the quarter decreased by 28 clients compared to the quarter to 31 December 2021.

Occupancy began the quarter at 1,111 clients but dropped materially during the first three weeks of January as the number of homes with Covid-19 'outbreaks' increased. The impact of an 'outbreak' at a home is that it is then closed to admissions on the instruction of the Director of Public Health in their locality.

It should be noted that even one initial positive case within the client or staff populations has, in some homes, led to a c.28-day closure, as they were extended as further additional cases were identified. Rolling closures were not uncommon throughout the period which exacerbated the impact on the level of admissions.

To illustrate the above point, and as detailed above, the Homes were closed to admissions on average for 16.3 days in January 2022, 8.8 days in February 2022 and 6.0 days in March 2022.

The quarter 'low' occupancy was 1,088 clients recorded on 23 January. Subsequent to this date, occupancy has steadily increased with 1,134 clients being recorded as at 31 March 2022; this equates to an average increase of c.2.9 clients per week from the quarterly low point.

By the end of April 2022, occupancy for the homes had increased marginally to 1,138 clients.

Occupancy is expected to continue to increase with modest growth over the next 3 to 6 months. The easing of restrictions should also result in a reduction to the mandated closure to admissions. This is evidenced in the reduction from January to March highlighted above.

We anticipate that the challenge in respect of the forecast occupancy growth will be in securing the admissions whilst ensuring that we receive the appropriate fee levels from public funders for the level of care to be provided.

The Carehome.co.uk score for the group remains strong at 9.4.

Average Weekly Fees

Average weekly fees for the quarter to 31 March 2022 were £825 compared to the previous quarter average of £820, a small increase of £5 per week (0.6%).

Fee increases for all clients generally occur on 1 April each year. The status of the increases for 2022 is as follows:

- English Local Authorities' (LAs) – these fee increases will not be formally agreed (or received) for several months following the commencement of the new financial year. To date, 11 out of 27 English LAs, where there is a significant LA contract in place, have communicated their rate increase; these rates apply to c.56% of Larchwood's main LA clients.

  The average increase to date has been c.7.5% for nursing rates and 6.9% for residential rates against the budget of 4.0% and 3.7% respectively.
- Scottish LA's – One rate covers the whole of Scotland and is agreed centrally. In this regard, members of the providers group (Scottish Care) voted to accept an increase in the annual nursing fee of 5.38% and the residential fee of 5.6%.
- Self-funder fee increases averaged c.12%. The number of clients paying top-ups has increased from 72 to 74 over the quarter to 31 March 2022, whilst in the same period the number of self-funders decreased from 345 clients to 340 clients.

Costs

Overall staff costs increased c.3.3% quarter-on-quarter in absolute terms despite the fact that the quarter to 31 March 2022 was a shorter quarter (by two days).

The principal reasons for this increase were:

- The significant increase in the number of staff having to isolate following the continued presence of the Omicron variant of Covid-19 in the quarter especially in January and February 2022.
- A 32% increase in the average number of weekly agency hours in the quarter principally driven by the above.

Note that whilst the National Living Wage increased from £8.91 to £9.50 per hour on 1 April 2022, the Group had already implemented this increase on 1 December 2021. On that date, all staff (irrespective of the salary level) were awarded an increase of 59p an hour, being the increase from the current National Living Wage level of £8.91 to the level effective from 1 April 2022 being £9.50. No further increase was paid to staff on 1 April 2022.

As indicated above, the Group continues to pay staff who are required to isolate for Covid-19 reasons. This policy will remain under review.

Agency usage in the quarter averaged c.5,300 hours per week, an increase of c.32% on the previous quarter. It is expected that this figure will reduce in future quarters as the number of staff that are required to self-isolate falls.

Staff recruitment continues to be challenging. Payrates and differentials have been reviewed in all homes and increased in line with local markets, or where agency is high, wherever possible. A programme of staff events has been implemented along with other initiatives including welcome bonuses, a refer a friend scheme, employee recognition schemes, staff videos for our website and social media platforms, and additional re-branding of marketing products for recruitment shows.

Open days re-commenced in April following the easing of Covid-19 restrictions. Travel allowances, weekend and night enhancements and flexible contracts have all been used where our intelligence indicates that these would have a positive impact.

Operating Costs increased by c.4% from the previous quarter, rising to c.£6.36 per client day. This was mainly driven by the inflationary pressures that are being experienced on food and other direct costs.

Indirect Costs decreased c.£140,000 quarter-on-quarter driven principally by reduced light and heat costs compared to the prior quarter. Note that increased utility prices did not impact the Group in the quarter to March 2022 – see the note in Overall Outlook below.

Compliance

A summary of the compliance grades for the Homes (on a country-by-country basis) is detailed below:

England:

Grade	9-Feb-21	30-Apr-21	9-Aug-21	31-Oct-21	31-Jan-22	10-May-22
Outstanding	1	1	1	1	1	1
Good	25	22	21	19	20	20
Requires Improvement	6	8	7	6	5	3
Inadequate	-	-	-	-	-	-
Total	32	31	29	26	26	24
Compliant %	81.2%	74.2%	75.9%	76.9%	80.8%	87.5%

Note: Homes are removed from the above analysis as and when they are closed or sold. Alwoodleigh has been removed from the figures as at 10 May 2022 as this home is closed. Swan House has also been removed from this table following its sale on 9 May 2022.

Scotland:

Average Grade	9-Feb-21	30-Apr-21	9-Aug-21	31-Oct-21	31-Jan-22	10-May-22
6	-	-	-	-	-	-
5	1	1	1	1	1	1
4	4	4	4	4	4	3
3	1	1	1	1	1	1
2	-	-	-	-	-	-
1	-	-	-	-	-	-

Note: Homes are inspected across five areas, each being awarded a grade as follows: 1–Unsatisfactory, 2–Weak, 3–Adequate, 4–Good, 5–Very Good, 6–Excellent. The Average Grade is the mean average of the five scores. Broomfield has been removed from the figures as at 10 May 2022 as this home is in the course of closure.

As at 10 May 2022, 21 (87.5%) of the 24 English homes (those regulated by the CQC) were rated ‘Outstanding’ or ‘Good’.

No changes in the grades of the English homes have occurred since our last report. It is expected that routine CQC inspections will increase over the coming months; however, the focus of the inspections is likely to be on homes that the CQC deem are more of a concern.

HCMS continues to hold regular planned meetings with the CQC national provider relationship team and these meetings continue to be positive.

In respect of the Scottish homes, no inspections have occurred since our last update.

Capex

During the quarter to March 2022, total Capex of c.£530,000 was invested into the Homes. For the twelve months to 31 March 2022, Capex on the 30 homes totalled £2.28 million.

Based upon the average number of usable beds (1,408) in the year to 31 March 2022, this equates to a run-rate of c.£1,620 Capex per usable bed per annum.

As part of the budgeting procedures for the year to September 2022, a full assessment of the Capex needs of the Homes was carried out which indicated a Capex budget for the full year of c.£4.2 million. The run rate of the Capex spend over the last six months has been slower than budgeted due to continuing Covid-19 restrictions at some of the Homes and the shortage of contractors due to the increased demand for them following the pandemic.

The Capex detailed above was in addition to the c.£1,250 per usable bed spent on planned and preventative maintenance and general repairs in the year to 31 March 2022.

Closed and Sold Homes

At the start of the quarter to 31 March 2021, the portfolio stood at 42 trading homes.

Since that date, the following homes have closed (or are in the course of closure) and/or been sold:

- Nether Hall was sold as a going concern in January 2021
- Laureate Court was sold as a going concern in February 2021
- White Rose was sold as a going concern in March 2021
- St Mary’s was sold as a going concern in April 2021
- Nayland House was sold as a going concern in June 2021
- Sowerby House and Ty Dinas were sold as going concerns in August 2021
- The closure of Rose Martha Court completed in September 2021 and the home was sold in October 2021
- The closures of Bryan Wood and Ravenstone completed in October 2021
- The closures of Alwoodleigh and Broomfield Court were commenced in February 2022 and March 2022 respectively, with the former completed in April 2022

Therefore, as at 31 March 2022, the number of homes that were open and trading normally was 30. Unless stated otherwise, the results and KPIs in this update only cover these 30 homes; they don’t include any of the sold or closing homes.

The figures in this update do contain the results and KPIs of Swan House. This home was sold on 9 May 2022 but traded for the full quarter to 31 March 2022. This home will be removed from the analysis in our next update.

Summary Financial Performance – 12 months to March 2022

The trading results and main KPI's for the twelve months to March 2022 for the 30 homes open in the year to 31 March 2022 (compared to the year to December 2021) are summarised as follows:

	LFL Adjusted 12 months to 31-Dec-21 £'m	**LFL Adjusted** 12 months to 31-Mar-22 £'m	Variance £'m
Fee Income	47.74	48.06	0.32
Staff Costs	(31.17)	(31.81)	(0.64)
Operating Costs	(2.48)	(2.50)	(0.02)
Indirect Costs	(6.08)	(6.31)	(0.23)
EBITDARM	**8.01**	**7.44**	**(0.57)**
KPIs			
Usable Beds	1,408	1,408	-
Average occupancy	1,179	1,153	(26)
Average occupancy (%)	83.7%	81.9%	(1.8%)
Spot occupancy at period-end	1,111	1,134	23
Spot occupancy at period-end (%)	78.9%	80.5%	1.6%
Average weekly fee	777	799	22
CAPEX	2.03	2.28	0.25
Staff costs as a % of Fee Income	65.3%	66.2%	(0.9%)

As with the table on page one, while State funding has been received by the Group in respect of Covid-19 financial assistance up to 31 March 2022, this funding has been excluded from the figures in the table above.

Four homes in the 30-home portfolio were loss-making in the twelve months to 31 March 2022 before accounting for any Covid-19 financial assistance; across these four facilities, the gross annual EBITDARM loss was c.£0.56 million.

Excluding these loss-making homes, the EBITDARM for the remaining 26 homes was c.£8.00 million (pre Covid-19 funding) for the twelve months to 31 March 2022.

Overall Outlook

As previously reported, we continue to be of the view that occupancy rates will return to pre-pandemic levels in time but that this is unlikely to be before the end of 2022. Now that Covid-19 funding has ended, we would expect restrictions suffered during lockdown to ease, the speed of which will determine how rapidly occupancy grows.

Pressure on recruitment and retention of staff continues to be a daily pressure on the business. Inflation currently stands at 7% with many expecting it to reach 10% during the year. This will only result in further difficulties around recruiting and retaining staff if fee increases do not cover this.

Self-isolation periods have now reduced which will improve absence levels and reduce agency costs, however, in many areas, decisions are still necessary around the timing of admissions in line with the availability of staff. We expect that pressures on staff recruitment and wage inflation will continue for the rest of 2022.

Bringing forward the implementation of the rise in National Living Wage to 1 December 2021 from the scheduled date of 1 April 2022 was very well received by staff and has had a positive impact on staff retention.

There is significant pressure on both direct and indirect costs with most cost lines seeing abnormally high increases. The major non-staff costs are food, repairs, and heat & light. Food costs have risen above inflation in the first quarter, and we are likely to see a higher than anticipated cost throughout the year.

Heat & light costs have increased by unprecedented amounts in businesses as they are not subject to any price cap. Energy suppliers are increasing business prices by far more than the prices for consumers due to the lack of restrictions and the Russia Ukraine conflict.

However, currently, the Group is not suffering the price hikes some providers are seeing. Although the contracts are on an individual home basis, the Group were able to secure energy prices under contract prior to the material increases experienced over the last few months. This should protect the homes from any significant increases this financial year.

With regard to fee increases relating to publicly-funded clients, these increases can vary significantly as notifications are received. We are pro-actively advocating to the LAs the reasons why the increase needs to be far greater than in previous years. This justification is being tailored to meet the requirement of the homes based on geographical issues which can vary widely. Early indications from authorities that have declared their 2022 fee increases are that most are aware of the significant cost pressures on Providers.

The strategy of the CQC (England) and Care Inspectorate (Scotland) in respect of home inspections is to focus on high-risk and newly registered services only and not on time specific routine reviews. Whilst there is merit in this from the Regulators perspective at Provider level, it will mean that the inspections that take place are more likely to result in a deterioration in grading (given the service has already been deemed to be high risk) and the opportunity to improve a home with a ‘Requires Improvement’ or ‘Good’ rating will be severely limited.

Larchwood (Northern Ireland Portfolio)

Unaudited trading statement as at 31 March 2022

Introduction

Note that this trading statement should be read in conjunction with the previous trading updates provided in the Notices to Noteholders, the most recent being dated 16 February 2022.

Unless otherwise stated, the figures in this update are presented on a Like For Like ('LFL') basis. Over the period covering the results presented below, seven homes ('the Homes') were in the portfolio which is consistent with our previous updates.

As detailed in previous updates, Greenhaw Lodge was closed at the start of November 2020 in order to undertake some urgent remedial works to the property. The home re-opened on 16 June 2021 under the name Oakleaves Care Centre. This home is referred to as 'Oakleaves' throughout this update.

The results in the table below include the full results for each of the quarters for Oakleaves even though the home didn't trade between the end of October 2020 and the 16 June 2021. The impact of this closure on certain of the KPIs is detailed throughout this update.

The 'Other Income' included in the table below represents the amounts received for the loss of income in each of the quarters that have been paid by the business interruption insurers in respect of the claim for the closure of Oakleaves.

Summary Financial Performance – 3 months to March 2022

The trading results and main KPIs for the three months to 31 March 2022 are summarised as follows:

	3 mths to 31-Mar-21 £'m	3 mths to 31-Dec-21 £'m	3 mths to 31-Mar-22 £'m	Variance to LFL quarter in prior year £'m	Variance to prior quarter £'m
Fee Income	3.09	3.83	3.81	0.72	(0.02)
Other Income	0.20	-	0.04	(0.16)	0.04
Staff Costs	(2.21)	(2.62)	(2.59)	(0.38)	0.03
Operating Costs	(0.18)	(0.23)	(0.20)	(0.02)	0.03
Indirect Costs	(0.28)	(0.32)	(0.39)	(0.11)	(0.07)
EBITDARM	**0.62**	**0.66**	**0.67**	**0.05**	**0.01**
KPIs					
Usable Beds – average for quarter	281	323	323	42	-
Usable Beds – at quarter-end	281	323	323	42	-
Average Occupancy for quarter	248	305	304	56	(1)
Average Occupancy for quarter %	88.3%	94.4%	94.1%	5.8%	(0.3%)
Spot occupancy at quarter-end	252	304	309	57	5
Spot occupancy at quarter-end %	89.7%	94.1%	95.7%	6.0%	1.6%
Average weekly fee	£969	£955	£976	£7	£21
CAPEX (£'m)	0.13	0.27	0.07	(0.06)	(0.20)
Staff costs as a % of Fee Income	71.5%	68.4%	68.0%	3.5%	0.4%

Notes:
Other Income represents the monies received from insurers in respect of the Business Interruption claim in respect of Oakleaves
EBITDARM means earnings before Operator Central Costs, interest costs, tax, depreciation, amortisation, License Fee, the Management Fee, the Incentive Fee (if applicable)
Spot occupancy at quarter-end % is based on the number of usable beds at the quarter end, not the average number for the quarter
The average weekly fee and staff costs % are stated before accounting for 'Other Income'

Overall, EBITDARM for the quarter to 31 March 2022 represented a marginal increase of c.£10,000 from the previous quarter driven by:

- Broadly flat occupancy quarter to quarter.
- A £21 per week increase in the level of average weekly fee as a result of a full quarter of the fee increases that were introduced on 1 November 2022.
- The receipt of £43,600 other income relating to the historical claim for business interruption insurance as a result of the closure of Oakleaves between November 2020 and June 2021 (previous quarter £nil).
- A decrease of c.£30,000 in staff costs partly due to the reduction in agency usage quarter-on-quarter.
- A decrease in operating costs of c.£30,000 quarter-on-quarter driven by significant purchases of PPE in the prior quarter in expectation of a winter surge in Covid-19. Given the stocks of PPE held, purchases in the quarter to 31 March 2022 were therefore lower than the previous quarter.
- An increase of c.£70,000 in indirect costs as a result of increases in the cost of utilities and insurance.

Covid-19 financial assistance of c.£82,000 was received in the quarter, a marginal increase from the figure of c.£75,000 received in the prior quarter. These monies (for both quarters) are included in Fee Income in the above table. Covid-19 financial assistance monies of c.£240,000 were received in the quarter to 31 March 2021 and are also included in the above table.

Note that it is the large amount of Covid-19 financial assistance monies received in the quarter to 31 March 2021 that makes the increase in the average weekly fee of £7 from the quarter to 31 March 2021 to the quarter to 31 March 2022 appear low. Before accounting for these monies, the underlying average weekly fee has increased from £894 in the quarter to 31 March 2021 to £955 in the quarter to 31 March 2022, an increase of c.6.9%.

Before accounting for Covid-19 financial assistance and any monies received from the Oakleaves business interruption insurance claim, LFL EBITDARM decreased by c.£40,000 from the December 2021 quarter to the March 2022 quarter.

Note that Oakleaves was closed for all of the quarter to March 2021 and thus the results presented for that quarter in the table above are not comparable to the results for the quarters to December 2021 and March 2022. The closure of Oakleaves is the reason there is a difference between the number of usable beds for the quarter to 31 March 2021 compared to the number in use for the quarters to 31 December 2021 and 31 March 2022.

Covid-19

During the quarter to 31 March 2022, the Homes recognised a change to both the impact and the management of Covid-19. Definitions of outbreak were redefined by statutory colleagues and therefore the response required by providers was revised. In prioritising resident safety, the Homes continued to follow previous testing programmes when positive cases within the Homes increased, which affected all homes at some point during this quarter.

The primary effect of the pandemic during the quarter was noted upon staffing. Although guidelines had been eased in respect of the isolation period required for positive or contact staff cases, many staff continued to test positive after day 6 and some staff teams were significantly impacted by absence related to Covid-19.

Safeguards of PCR and LFD testing remained in place and many staff were noted to be positive on their daily testing at least 2 days prior to their PCR results being returned. In this quarter, national testing programmes were being scaled back and this again saw delays in positive results being returned to the Homes.

Occupancy

Across the quarter, occupancy increased by 5 clients, ending the quarter at 309 clients equivalent to 95.7% of effective beds.

Occupancy initially reduced during the first half of January, reaching a quarter 'low' of 294 clients on 18 January, as a result of a number of Omicron outbreaks that arose in certain of the Homes. These homes were not accepting admissions as a result.

However, by the end of January, occupancy had returned to the level at the start of month. For the following two months, occupancy then fluctuated between 301 and 310 clients, ending the quarter at 309 clients.

There were no major fluctuations in terms of occupancy throughout the quarter on a home-by-home basis.

Following its reopening in June 2021, occupancy at Oakleaves continued to improve in the quarter, increasing from 35 clients at 31 December 2021 to 39 clients at 31 March 2022. The unfilled beds are all enhanced care beds which will fill more slowly than the general care beds.

During the quarter, demand for beds across the Group was noted particularly for complex care beds. Requirements for general nursing beds were slower and the timing of discharges from hospitals, where wards were also experiencing high levels of Covid-19, impacted on some of the Homes.

Post quarter end, occupancy has continued on a positive trajectory with 315 clients (97.5%) across the Homes on 9 May 2022

The current average rating for the Homes on the CareHome.co.uk website is 9.5.

Average Weekly Fees

The overall average weekly fee for the quarter was £976 which was an increase of £21 (2.2%) on the previous quarter.

As detailed earlier in this update, the figures for both quarters are inflated by the Covid-19 financial assistance monies which were included in Fee Income in each of the quarters. Before accounting for these monies, average weekly fees for the quarter to 31 March 2022 were £955, an increase of £19 on the figure reported for the previous quarter (also adjusted for Covid-19 funding).

Before any Covid-19 funding, the average weekly fee for nursing clients was £1,019 for the quarter (previous quarter £995) whilst for residential clients the average weekly fee was £671 (previous quarter £662).

Fee increases are normally implemented on 1 April each year. As reported in our previous update, in December 2021, an additional increase was announced, which was effective for the period from 1 November 2021 to 31 March 2022, of 3.2% for nursing care fees and 4.6% for residential care fees.

These additional fees were paid on the proviso that care home operators uplifted their employees' pay to a minimum of £9.50 per hour from 1 November 2021. This, in effect, brought forward the National Living Wage rate uplift which occurred on 1 April 2022.

The fee increases implemented on 1 November 2021 have continued post 31 March 2022. However, there has been no further notification of the annual tariff uplift which is usually expected in April or early May to be applied from 1 April 2022. In any event, the Health Trusts have indicated that, in the absence of an Assembly in Northern Ireland, they do not currently have a confirmed budget for this year, therefore, are not in a position to advise if there will be any further changes to tariffs moving into the 2022/23 financial year.

The proportion of self-funded clients remains the same with approximately 7% of beds across the Group being self-funded.

Costs

Staff costs decreased by c.£30,000 (c.1.1%) on the previous quarter, partly driven by the reduction in agency costs which were incurred following Omicron outbreaks across the group from December 2021 to February 2022.

Note that whilst the National Living Wage increase from £8.91 to £9.50 per hour on 1 April 2022, the Group had already implemented this increase on 1 November 2021 as detailed above. On that date, all staff (irrespective of the salary level) were awarded an increase of 59p an hour, being the increase from the current National Living Wage level of £8.91 to the level effective from 1 April 2022 being £9.50. No further increase was paid to staff on 1 April 2022.

During the quarter to December 2021, agency costs were c.£182,000. Whilst this was a decrease of 7.1% on the cost of £196,000 incurred in the previous quarter, the level of cost incurred was higher than budget due to the number of staff isolating following the various outbreaks that occurred in the Omicron wave of the virus in Northern Ireland.

Recruitment has been an area of intense focus of late as shortages across the sector are well documented. Nevertheless, we have been successful in filling positions with only a few of the Homes reporting nursing vacancies.

Operating Costs were c.£7.47 per resident day in the quarter to March 2022 (an 8.5% reduction on the quarter to December 2021) due to a reduced spend on medical supplies as a result of buying in larger quantities earlier in the previous quarter.

Overheads were c.£66,000 higher than the previous quarter with the largest increases being in the spend on electricity and gas (up c.£45,500 being a 34% increase) and insurance (up c.£29,500 being a 75% increase). The reasons for the increase in electricity and gas costs have been well documented in the media; the increase in insurance is a result of the historical claims submitted in respect of the works and business interruption claims at Melmount Manor and Oakleaves.

Additional income of £111,000 for the Group was received from the Department of Health in April 2022 to assist with increased utility costs; these monies are not included in the results presented in this update. Whilst this assistance was greatly welcomed, it will not make up the shortfalls generated by the increase in energy costs across the Group over the coming months.

Compliance and Quality

Two inspections were undertaken by the RQIA in the quarter to 31 March 2022.

An unannounced inspection by a pharmacy inspector was undertaken at Culmore Manor which resulted in only one area for improvement being stated. The report praised many medication practices which were noted during the inspection.

A further care inspection was undertaken in Glebe in March and the care practices, management and governance were assessed as being of a high standard. The recognition of the Home as a specialised brain injury unit was noted by the Regulator and the associated practices undertaken by staff and management to promote excellence in care delivery. Again, only one area for improvement was stated.

It is worth noting that future RQIA inspection reports will now include all previous quality improvement plans from all inspection units (care, pharmacy, estates and finance) until they are reassessed and met as compliant.

Capex

In the quarter to 31 March 2022, c.£70,000 was spent on Capex.

No major Capex projects were undertaken in the period.

Over the past 12 months, c.£2,000 has been spent on average per effective bed across the Homes (excluding the Capex, detailed in previous reports, which was spent on the repair and refurbishment of Oakleaves during the last twelve months).

This is in addition to the c.£538 spent per effective bed in the past 12 months on repairs and maintenance to the Homes.

Summary Financial Performance – 12 months to March 2022

The trading results and main KPI’s for the twelve months to 31 March 2022 for the Homes (compared to the twelve months to 31 December 2021) are summarised as follows:

	12 mths to 31-Dec-21 £’m	12 mths to 31-Mar-22 £’m	Variance £’m
Fee Income	13.78	14.50	0.72
Other Income	0.63	0.47	(0.16)
Staff Costs	(9.55)	(9.93)	(0.38)
Operating Costs	(0.77)	(0.79)	(0.02)
Indirect Costs	(1.14)	(1.25)	(0.11)
EBITDARM	**2.95**	**3.00**	**0.05**
KPIs			
Usable Beds – average for year	304	314	10
Usable Beds – at year-end	323	323	-
Average Occupancy for year	275	289	14
Average Occupancy for year %	90.5%	92.0%	1.5%
Spot occupancy at year-end	304	309	5
Spot occupancy at year-end %	94.1%	95.7%	1.6%
Average weekly fee	£961	£962	£1
CAPEX (£’m)	0.91	0.85	(0.06)
Staff costs as a % of revenue	69.3%	68.5%	0.8%

The EBITDARM generation in the twelve months to March 2022 represents c.20.7% of turnover (a decrease of 0.7 percentage points when compared to the twelve months to December 2021). On a home-by-home basis (excluding Oakleaves), EBITDARM generation ranged from 14.9% to 35.5% in the twelve months to March 2022.

Overall Outlook

Increased energy costs and inflationary pressures on food will continue to be a major area of focus. The shortages of grain from Ukraine for animal and bird feed is affecting the cost of chicken and eggs, dairy and other meats. Local produce is unable to meet supply demands. Further Covid-19 restrictions in China is also affecting the supply of packaging for foodstuffs and also the delay of materials required for repairs and maintenance.

In terms of energy costs, these were up c.34% on the previous quarter and c.150% on the comparative quarter in 2021 (albeit noting that Oakleaves was not open in the quarter to March 2021). The current energy contracts in place for the Homes run through to the end of June 2022 and are priced at the wholesale market rate plus 19p per kwh. It is not known whether pricing at this level will continue to be available when the contracts are up for renewal.

Consideration has been given to fixing prices on longer term contracts, but we have concluded that, currently, it is not in the best interests of the Group to do this. Whilst the additional funding of £111,000 received from the Department of Health in April 2022 was of some assistance, it is not clear whether this is a one-off payment of the first of a series of payments.

We are carrying out a review of the heating systems within the Homes to ascertain the cost benefit position of installing further energy saving devices within the Homes.

In terms of staff, recruitment has been extremely strong particularly in specific homes where the use of online recruitment platforms has assisted in recruitment programmes converting applicants to successful recruits. The role of care assistant has been oversubscribed in some areas with staff transferring from other industries such as hospitality. However, some challenges have been felt in ensuring the quality of applicants, with a proportion of staff recruited exiting employment in the first 3 months as Home Managers review performance or staff recognise the levels of dedication and motivation required for a career in care.

The Homes are working to maximise training opportunities available within the sector for clinical skills for both nursing and care staff. This is designed to drive further quality improvements and improve staff retention and development.

Changes to the testing programmes nationally has also been extended to care home testing and this has released some time from the administration of weekly and fortnightly PCR testing programmes and associated registrations of these tests for staff and residents respectively which is welcomed.

As Covid-19 restrictions continue to be relaxed and visiting opportunities are becoming more available for families, this may stimulate increased interest for those who are struggling to maintain care packages at homes and potentially to reconsider nursing and residential placements in care homes.

In terms of ongoing fee income, the continued uncertainty in respect of the political landscape of the province is likely to impact on the timing and quantum of future fee increases payable by the local Health Trusts.