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

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

Date:- 7 May 2024

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 6 February 2024 (the "**6 February Announcement"**).

In the 6 February Announcement, the Special Servicer affirmed to Noteholders that, among other things, that nine 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 26 March 2024 (the "**26 March Announcement**").

In the 26 March 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 £1,100,000.

Update on the Strategy for the Portfolio

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

In addition, twenty-one properties marketed as closed care homes have now been sold.

Currently, the remaining sixteen trading care homes are being marketed for sale.

Based on the disposal process to date and the currently prevailing market and investor sentiment, the availability of debt and the regulatory approval timeframes being seen, it is estimated that the portfolio will be exited in full by December 2024.

Ashbourne portfolio

Trading care homes

Following the completion of the various sales, currently there are seven 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	12	12	100%	4	4	0
"	Scotland	4	4	100%	3	3	0
	Total	16	16	100%	7	7	0

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, with prolonged re-registration periods likely to be experienced on the Scotland portfolio.

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

Trading Update

Similar to the 6 February Announcement, the Special Servicer requested of the Asset Manager and the manager of the Operator (HealthCare Management Solutions), that updated trading information on the business be prepared for disclosure to noteholders.

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

Priority of Payments

As reported in the 6 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 16 April 2024 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	183,809.66	183,809.66
(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	67,325,511.31	67,509,320.97

(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	67,509,320.97

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.

Special Servicer Contact:

BCMGlobal London Limited
E-mail: rob.hook@bcmglobal.com

By:

Equinox (ECLIPSE 2006-1) plc
1 Bartholomew Lane
London EC2N 2AX
(in its capacity as Issuer)

cc:

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
(in its capacity as Trustee)

Date: 7 May 2024

Schedule 1

Larchwood Care Trading Update

Disclaimer

This interim management statement (the "**Update Statement**") has been prepared by Healthcare Management Solutions Limited ("**HCMS**"), the manager of the Operator of the Larchwood Care UK-mainland portfolio.

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 website at:

http://www.larchwoodcare.co.uk/

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 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 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 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 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 31st March 2024

Introduction

Note that this trading statement should be read in conjunction with the previous trading updates provided in the Notices to Noteholders, with the most recent being dated 6th February 2024.

In the quarter to 31st March 2024, 2 homes were sold or closed (Mundy House and Whitby House).

The results and KPIs for previously sold or closed homes have been excluded from the figures in this update, therefore all results and KPIs are presented on a like for like (LFL) basis for 16 homes, 2 less than the 18 homes in the December update.

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 2024

The trading results and main KPI's for the three months to March 2024 are summarised as follows:

	LFL Adjusted	**LFL Adjusted**	**LFL Adjusted**	**Variance to Like For Like quarter in prior year**	**Variance to prior quarter**
	3 months to 31-Mar 23 £'m	**3 months to 31-Dec 23 £'m**	**3 months to 31-Mar 24 £'m**	£'m	£'m
Fee Income	8.25	9.70	9.42	1.17	(0.28)
Staff Costs	(5.67)	(6.11)	(5.78)	(0.11)	0.33
Operating Costs	(0.46)	(0.51)	(0.52)	(0.06)	(0.01)
Indirect Costs	(1.36)	(1.34)	(1.46)	(0.10)	(0.12)
EBITDARM	**0.76**	**1.74**	**1.66**	**0.90**	**(0.08)**
KPIs					
Usable Beds	805	803	803	(2)	0
Average occupancy	660	686	669	9	(17)
Average occupancy (%)	82.0%	85.4%	83.3%	1.3%	-2.1%
Spot occupancy at period-end	668	675	665	(3)	(10)
Spot occupancy at period-end (%)	83.0%	84.1%	82.8%	-0.2%	-1.2%
Average weekly fee	972	1075	1083	111	8
CAPEX	0.66	0.56	0.65	(0.01)	0.09
Staff costs as a % of Fee Income	68.7%	63.0%	61.4%	7.3%	1.6%

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'.

EBITDARM decreased by c.£0.08 million (4.6%) quarter-on-quarter principally as a result of reduced Occupancy and Income with increased Operating and Indirect Costs. EBITDARM improved over the same quarter in 2023 by £0.9 million. The average weekly admission rate fell 0.8 in this quarter compared to the previous quarter. The death rate remained static at 7.42, however the discharge rate increased significantly to 5.98. This trend was seen for the same period in the previous year and could be linked to Q4 budget constraints on Social Care commissioning bodies.

Average weekly fee has increased by £8 (0.7%); occupancy has decreased slightly quarter-on-quarter by 2.1%.

Staffing costs have decreased by £330,000 (5.4%) whilst Indirect costs have increased by £120,000 (9%) which is primarily due to light and heating costs increasing over colder months. Operating Costs have slightly increased and thus the impact of these factors at EBITDARM level is a decrease of £0.08 million.

Occupancy

On a LFL basis for the 16 homes in the portfolio as at 31 March 2024, average occupancy for the quarter decreased by 17 clients compared to the quarter to 31 December 2023.

Total website users increased by 12% quarter-on-quarter with 70,125 visiting the Larchwood website during Q1 2024. This increase is due to the seasonal increase in demand for care homes in January and our work to improve the search engine optimization of the website. This led to a 7% increase in organic search traffic (clicks from free search engine listings such as Google and Bing) and an 8% increase in organic social media traffic (clicks from our Facebook pages' content) quarter-on-quarter. During the quarter to 31st March 2024, we also noted a much slower decline in website users following the January peak than in previous years. The Larchwood LinkedIn page delivered a 19% increase in followers and a 44% increase in engagement quarter-on-quarter. The number of people reached by our Facebook pages increased by 1.5%, while engagement decreased by 36% quarter-on-quarter. This does, however, follow the most active quarter of the year for our Facebook pages including Halloween, Bonfire Night, Remembrance Day, awards season and the Christmas period. During Q1 2024, telephone enquiries increased by 24% and qualified website enquiry form submissions increased by 44% quarter-on-quarter.

Average Weekly Fees

Average weekly fees for the quarter to 31 March 2024 were £1,083 compared to the previous quarter average of £1,075, an increase of £8 per week (0.7%).

Fee increases for all clients generally occur on 1 April each year. The status of the increases for 2024 is as follows:

English Local Authorities' (LAs) –Annual fee reviews have been formally notified by three of the eleven relevant LA's.

The average increase to date has been c.6.36% against the budget of 7%.

Scottish LA's – One rate covers the whole of Scotland and has been agreed centrally at 6.76% for Nursing and 8.3% for Residential clients.

Self-funder fee increases averaged c.11.25% compared with a budget of 10%. The number of clients paying top-ups has reduced from 22 over the quarter ending 31 March 2024 to 14. In the same period the number of self-funders decreased from 192 clients to 180 clients.

Costs

Overall staff costs decreased as a percentage of fee income by c.1.6% quarter-on-quarter. Christmas and Boxing Day are paid at double time which pushed staffing costs higher in the previous quarter. In addition, bonus payments were made December 2023 resulting in increased staffing costs in the previous quarter.

Agency usage in the quarter averaged c.4,529 hours per week, an increase of c.25.8% on the previous quarter. This was largely driven by increased sickness and holiday absence.

Operating Costs increased by c.2% from the previous quarter, rising to c.£8.54 per client day.

Indirect Costs increased by c.£120,000 quarter-on-quarter mainly due to higher Heat & Light costs.

Compliance

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

England:

Grade	***08-Aug-21***	***31-Oct-21***	***31-Jan-22***	***31-May-22***	***24-Jul-22***	***01-Nov-22***	***05-Feb-23***	***23-Apr-23***	***23-Jul-23***	***29-Oct-23***	***28-Jan-24***	***21-Apr-24***
Outstanding	*1*	*1*	*1*	*1*	*1*	*1*	*1*	*-*	*-*	*-*	*-*	*-*
Good	*21*	*19*	*20*	*20*	*19*	*16*	*16*	*14*	*14*	*14*	*13*	*11*
Requires Improvement	*7*	*6*	*5*	*3*	*2*	*3*	*3*	*1*	*1*	*1*	*1*	*1*
Inadequate	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total	*29*	*26*	*26*	*24*	*22*	*20*	*20*	*15*	*15*	*15*	*14*	*12*
Compliant %	*75.90%*	*76.90%*	*80.80%*	*87.50%*	*90.90%*	*85.00%*	*85.00%*	*93.33%*	*93.33%*	*93.33%*	*92.86%*	*91.67%*
Note: Homes are removed from the above analysis as and when they are closed or sold.												

Scotland:

Average Grade	***09-Aug-21***	***31-Oct-21***	***31-Jan-22***	***10-May-22***	***24-Jul-22***	***01-Nov-22***	***05-Feb-23***	***23-Apr-23***	***24-Apr-23***	***29-Oct-23***	***28-Jan-24***	***21-Apr-24***
6	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
5	*1*	*1*	*1*	*1*	*1*	*1*	*1*	*1*	*1*	*1*	*-*	*-*
4	*4*	*4*	*4*	*3*	*3*	*2*	*1*	*1*	*1*	*1*	*1*	*2*
3	*1*	*1*	*1*	*1*	*1*	*1*	*2*	*2*	*2*	*2*	*3*	*2*
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.												

At 21 March 2024, 11 (92%) of the 12 English homes (those regulated by the CQC) were rated 'Good'.

There have been no changes in the grades of the English homes since our last report.

Capex

During the quarter to March 2024, total Capex of c.£652,000 was invested into the Homes. For the twelve months to 31 March 2024, Capex on the 16 homes totalled £2.4 million.

Based upon the average number of usable beds (803) in the year to 31 March 2024, this equates to a run-rate of c.£2,989 Capex per usable bed per annum.

As part of the budgeting procedures for the year to September 2024, a full assessment of the Capex needs of the Homes was carried out which indicated a Capex budget for 16 homes for the full year of c.£2.7 million. In the 6 months to March 2024 orders placed against the Budget for 16 homes equated to 57% of the budget.

The Capex detailed above was in addition to the c.£1,850 per usable bed spent on planned and preventative maintenance and general repairs in the year to 31 March 2024.

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
- Mountwood was sold as a closed home in July 2021 (closed June 2018)
- Sowerby House and Ty Dinas were sold as going concerns in August 2021
- Rose Martha Court closure completed in September 2021 and sold in October 2021
- Bryan Wood and Ravenstone closure completed in October 2021
- Alwoodleigh closure completed in May 2022 subsequently sold in February 2023
- Swan House and Wordsworth House were sold as going concerns in May 2022
- Broomfield closure completed in July 2022
- Abbey Place was sold as a going concern in July 2022
- Hope House was sold as a going concern in September 2022
- Great Horkesley Manor was sold as a going concern in October 2022
- Kingsgate was sold as a going concern in October 2022
- Highfield was sold as a going concern in January 2023
- Stambridge Meadows was sold as a going concern in February 2023
- Alwoodleigh was sold as a closed home in February 2023
- Badgers Wood, Belmont, and The Chanters were sold as going concerns in March 2023
- Cams Ridge was sold as a going concern in December 2023
- Mundy House was sold as a going concern in January 2024
- Bryan Wood was sold as a closed home in January 2024
- Whitby House was sold as a going concern in March 2024

Therefore, as at 31 March 2024, the number of homes that were open and trading normally was 16. Unless stated otherwise, the results and KPIs in this update only cover these 16 homes; they do not include any of the sold or closing homes.

Summary Financial Performance – 12 months to March 2024

The trading results and main KPI's for the twelve months to March 2024 for the 16 homes open in the year to 31 March 2024 (compared to the year to 31 December 2023) are summarised as follows:

	LFL Adjusted 12 months to 31 Dec 23 £'m	**LFL Adjusted** 12 months to 31 Mar 24 £'m	Variance £'m
Fee Income	37.05	38.22	1.17
Staff Costs	(23.27)	(23.37)	(0.10)
Operating Costs	(2.02)	(2.08)	(0.06)
Indirect Costs	(5.07)	(5.17)	(0.10)
EBITDARM	**6.69**	**7.60**	**0.91**
KPIs			
Usable Beds	803	803	0
Average occupancy	675	678	3
Average occupancy (%)	84.1%	84.4%	0.3%
Spot occupancy at period-end	675	665	(10)
Spot occupancy at period-end (%)	84.1%	82.8%	-1.3%
Average weekly fee	1052	1079	27
CAPEX	2.45	2.44	(0.01)
Staff costs as a % of Fee Income	62.8%	61.1%	1.7%

As with the table on page one, while some minimal State funding has been recognised by the Group in respect of Covid-19 financial assistance up to 31 March 2024, this funding has been excluded from the figures in the table above.

One home in the 16-home portfolio was loss-making in the twelve months to March 2024 before accounting for any Covid-19 financial assistance across these facilities.

The EBITDARM for the 16 homes (including COVID support) was c.£7.6 million for the twelve months to March 2024.

Overall Outlook

Local Authorities and Integrated Care Boards remain under significant financial pressure, we are however anticipating an average increase in fees of circa 8% from the authorities when they have declared their 2024 rates. This is 2% higher than earlier projected. We continue to see examples of targeted projects to assist the NHS bed crisis following through into new care pathways for admissions. Support to aid recruitment is more common and generally we are optimistic that as more authorities announce new fee rates, that this will follow the trend of those that have declared to date.

We expect that pressures on staff recruitment and wage inflation will continue into Q2 of 2024.

Heat & light costs have stabilised for businesses over this financial year. The concerns on costs to businesses after the withdrawal of Government support in March 2023 have so far been unfounded. The Group did not suffer the price hikes some providers are seeing although there may be some additional costs where actual usage varies to contracted estimated usage. We have seen these price variations result in charges for under usage from our supplier. The charge to Larchwood North has been withdrawn but there is a charge for 4 homes in Larchwood South which is being negotiated down by the company's energy broker. Although contracts are on an individual home basis, the Group was able to secure energy prices under contract prior to the material increases experienced over the last year. All homes will have had new Electric contracts in place during the last financial year. Gas Contracts expired and were renewed in January 2024.

The rate of inflation has decreased in recent months. It is currently at 4.3% RPI compared to 5.2% last quarter. Although this is still high compared to pre- pandemic rates, it continues to fall from the high of 14.2% in October 2022. Local Authorities and Integrated Care Boards are overall recognising the need to increase fees. English homes had an average of 9.1% fee increases in the 12 months to December 2023 with Scotland only applying 6% which applies to all Scottish LA's. However, these fees were only applied several months after inflation increases which was noticeable in results during the earlier periods of this report. We are supplying cost of care data to various government-based funders which may help to obtain inflation tracked fee increases in 2024. We are expecting to receive fee increase notifications from Local Authorities over the next few months in England. So far only Surrey 4.5%, Norfolk 5.93% and North Tyneside 8.65% have confirmed increases. FNC has increased from £219.71 to £235.88 representing a 7.36% increase from the ICB's. Scotland have announced a 6.76% Nursing increase with an 8.3% Residential increase.

Regulatory activity in England remains slow and there have been no onsite inspections in the period. CQC will ask for intelligence data and carry out a desk top review for any home that reaches their risk threshold. The Group now has only one service that is rated RI with the remainder being rated as Good. Grades in Scotland are now Adequate or above in all services.