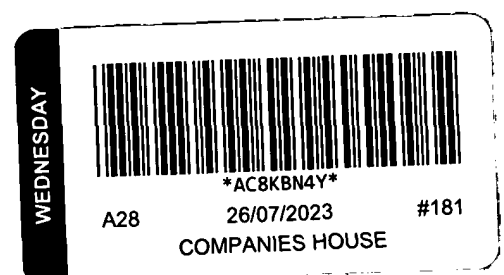


Registration number: 11044712

PRESTIGE CARE GROUP HOLDINGS LTD

Annual Report and Consolidated Financial Statements
for the Year Ended 31 July 2022



Prestige Care Group Holdings Ltd

Contents

Company Information	1
Strategic Report	2
Director's Report	3 to 4
Statement of Director's Responsibilities	5
Independent Auditor's Report	6 to 9
Consolidated Income Statement	10
Consolidated Statement of Financial Position	11
Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 to 32

Prestige Care Group Holdings Ltd.

Company Information

Director	Mr S. Singh
Registered office	Prestige Group Head Office Roseville Court Blair Avenue Ingleby Barwick Stockton-On-Tees TS17 5BL
Bankers	Virgin Money 94-96 Briggate Leeds LS1 6NP
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bede House Belmont Business Park Durham DH1 1TW

Prestige Care Group Holdings Ltd

Strategic Report for the Year Ended 31 July 2022

The director presents his strategic report for the year ended 31 July 2022.

Principal activity

The principal activity of the group is operating residential care homes.

Fair review of the business

The principal activity of the group during the year was the provision of residential and nursing care to the elderly.

The company owns the following 100% subsidiaries, Prestige Care Limited, Prestige Care (Roseville) Limited, Prestige Care (Sand Banks) Limited, Prestige Care (Yew Tree) Limited.

Results and performance

The director is satisfied with the performance of the company during the year. The company monitors income and costs on an ongoing basis whilst striving to deliver a high quality of care to its residents.

The company continues to perform despite a challenging environment.

Key performance indicators

The director monitors the progress of the company by reference to key performance indicators. The director is of the opinion that including these KPIs is not necessary for an understanding of the performance or position of the entity. All relevant financial information has been disclosed within the financial statements.

Principal risks and uncertainties

The senior management team meet regularly to consider the risks that face the company and how established processes and controls are used to manage these risks. The homes have a full governance system which is audited routinely.

Approved and authorised for issue by the director on 14/06/23



Mr S. Singh
Director

Prestige Care Group Holdings Ltd

Director's Report for the Year Ended 31 July 2022

The director presents his report and the consolidated financial statements for the year ended 31 July 2022.

Director of the group

The director who held office during the year was as follows:

Mr S Singh

Financial risk management

Objectives and policies

The group has established a structured approach to risk management. The group's activities expose it to a variety of financial risks, the group continues to adopt and develop risk management policies that seek to mitigate these risks in a cost effective manner.

Credit risk, liquidity and cash flow risk

Credit risk

The group's main financial assets are bank balances, cash and trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The group's largest customers are primarily local councils with social services responsibilities and NHS clinical commissioning groups.

Cash flow and liquidity risk

The group has continued to maintain liquidity and sufficient working capital for its ongoing operations and future developments.

Future developments

The company continues to improve the existing homes whilst also looking to grow the business organically and through acquisition.

Going concern

The financial statements have been prepared on a going concern basis.

The group meets its day to day working capital requirements through cash generated from operations and shareholder borrowings.

The group's forecasts and projections for the next twelve months show that the group should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance.

Based on the factors set out above the director believes that it remains appropriate to prepare the financial statements on a going concern basis.

Prestige Care Group Holdings Ltd

Director's Report for the Year Ended 31 July 2022 (continued)

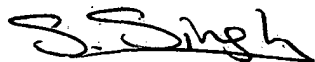
Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised for issue by the director on 14/06/23



Mr S Singh
Director

Prestige Care Group Holdings Ltd

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Prestige Care Group Holdings Ltd

Independent Auditor's Report to the Members of Prestige Care Group Holdings Ltd

Opinion

We have audited the financial statements of Prestige Care Group Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2022, which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In the comparative period the group qualified as a small group and was entitled to exemption from audit under section 479 of the Companies Act 2006. The prior year financial statements were not audited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Prestige Care Group Holdings Ltd

Independent Auditor's Report to the Members of Prestige Care Group Holdings Ltd (continued)

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The director are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 5], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Prestige Care Group Holdings Ltd

Independent Auditor's Report to the Members of Prestige Care Group Holdings Ltd (continued)

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- reviewing financial statement disclosures and testing to support documentation.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Social Care Act 2008, Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Prestige Care Group Holdings Ltd

Independent Auditor's Report to the Members of Prestige Care Group Holdings Ltd (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Joanne Regan FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bede House
Belmont Business Park
Durham
DH1 1TW

27/06/2023

Date:.....

Prestige Care Group Holdings Ltd

Consolidated Income Statement for the Year Ended 31 July 2022

	Note	2022 £	2021 £
Turnover	3	9,934,768	9,171,279
Cost of sales		<u>(7,168,863)</u>	<u>(6,773,160)</u>
Gross profit		2,765,905	2,398,119
Administrative expenses		(3,509,426)	(3,439,817)
Other operating income	4	<u>1,121,458</u>	<u>1,616,785</u>
Operating profit	5	377,937	575,087
Interest payable and similar expenses	6	<u>(813)</u>	<u>(407)</u>
Profit before tax		377,124	574,680
Taxation	8	<u>(68,606)</u>	<u>(109,982)</u>
Profit for the financial year		<u>308,518</u>	<u>464,698</u>

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

The notes on pages 16 to 32 form an integral part of these financial statements.

Prestige Care Group Holdings Ltd

(Registration number: 11044712)

Consolidated Statement of Financial Position as at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	883,895	986,396
Current assets			
Stocks	11	3,000	3,000
Debtors	12	6,956,270	5,743,900
Cash at bank and in hand		125,710	729,794
		<u>7,084,980</u>	<u>6,476,694</u>
Creditors: Amounts falling due within one year	14	<u>(2,009,834)</u>	<u>(1,634,197)</u>
Net current assets		<u>5,075,146</u>	<u>4,842,497</u>
Total assets less current liabilities		<u>5,959,041</u>	<u>5,828,893</u>
Creditors: Amounts falling due after more than one year	14	<u>(2,268,456)</u>	<u>(2,426,796)</u>
Provisions for liabilities		<u>(47,752)</u>	<u>(67,782)</u>
Net assets		<u><u>3,642,833</u></u>	<u><u>3,334,315</u></u>
Capital and reserves			
Called up share capital	16	110	110
Profit and loss account		<u>3,642,723</u>	<u>3,334,205</u>
Total equity		<u><u>3,642,833</u></u>	<u><u>3,334,315</u></u>

Approved and authorised for issue by the director on 14/06/23



Mr S Singh
Director

The notes on pages 16 to 32 form an integral part of these financial statements.

Prestige Care Group Holdings Ltd

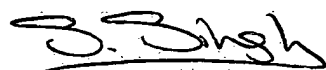
(Registration number: 11044712)

Statement of Financial Position as at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	166	626
Investments	10	310	310
		<u>476</u>	<u>936</u>
Current assets			
Debtors	12	1,299,636	994,783
Cash at bank and in hand		11,140	101,958
		<u>1,310,776</u>	<u>1,096,741</u>
Creditors: Amounts falling due within one year	14	<u>(666,246)</u>	<u>(573,894)</u>
Net current assets		<u>644,530</u>	<u>522,847</u>
Total assets less current liabilities		<u>645,006</u>	<u>523,783</u>
Provisions for liabilities		<u>315</u>	<u>(50)</u>
Net assets		<u>645,321</u>	<u>523,733</u>
Capital and reserves			
Called up share capital		110	110
Profit and loss account		<u>645,211</u>	<u>523,623</u>
Total equity		<u>645,321</u>	<u>523,733</u>

The company made a profit after tax for the financial year of £121,588 (2021 - profit of £299,983).

Approved and authorised for issue by the director on 14/06/23



Mr S Singh
Director

The notes on pages 16 to 32 form an integral part of these financial statements.

Prestige Care Group Holdings Ltd

Consolidated Statement of Changes in Equity for the Year Ended 31 July 2022 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 August 2020 (unaudited)	110	3,169,507	3,169,617	3,169,617
Profit for the year	-	464,698	464,698	464,698
Total comprehensive income	-	464,698	464,698	464,698
Dividends	-	(300,000)	(300,000)	(300,000)
At 31 July 2021	110	3,334,205	3,334,315	3,334,315

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 August 2021	110	3,334,205	3,334,315	3,334,315
Profit for the year	-	308,518	308,518	308,518
Total comprehensive income	-	308,518	308,518	308,518
At 31 July 2022	110	3,642,723	3,642,833	3,642,833

The notes on pages 16 to 32 form an integral part of these financial statements.

Prestige Care Group Holdings Ltd

Statement of Changes in Equity for the Year Ended 31 July 2022

	Share capital £	Profit and loss account £	Total £
At 1 August 2020 (unaudited)	110	523,640	523,750
Profit for the year	-	299,983	299,983
Total comprehensive income	-	299,983	299,983
Dividends	-	(300,000)	(300,000)
At 31 July 2021	110	523,623	523,733

	Share capital £	Profit and loss account £	Total £
At 1 August 2021	110	523,623	523,733
Profit for the year	-	121,588	121,588
Total comprehensive income	-	121,588	121,588
At 31 July 2022	110	645,211	645,321

The notes on pages 16 to 32 form an integral part of these financial statements.

Prestige Care Group Holdings Ltd

Consolidated Statement of Cash Flows for the Year Ended 31 July 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		308,518	464,698
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	111,597	115,965
Finance costs	6	813	407
Income tax expense	8	68,606	109,982
		<u>489,534</u>	<u>691,052</u>
Working capital adjustments			
Increase in trade debtors	12	(1,212,370)	(283,914)
Increase/(decrease) in trade creditors	14	538,965	(259,845)
(Decrease)/increase in deferred income, including government grants		<u>(242,111)</u>	<u>17,141</u>
Cash generated from operations		<u>(425,982)</u>	<u>164,434</u>
Income taxes paid	8	<u>(119,008)</u>	<u>(100,215)</u>
Net cash flow from operating activities		<u>(544,990)</u>	<u>64,219</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(9,094)	(66,505)
Proceeds from sale of tangible assets		-	105
Net cash flows from investing activities		<u>(9,094)</u>	<u>(66,400)</u>
Cash flows from financing activities			
Interest paid	6	-	(407)
Proceeds from bank borrowing draw downs		-	50,000
Repayment of bank borrowing		(50,000)	-
Dividends paid		-	(300,000)
Net cash flows from financing activities		<u>(50,000)</u>	<u>(250,407)</u>
Net decrease in cash and cash equivalents		<u>(604,084)</u>	<u>(252,588)</u>
Cash and cash equivalents at 1 August		<u>729,794</u>	<u>982,382</u>
Cash and cash equivalents at 31 July		<u>125,710</u>	<u>729,794</u>

The notes on pages 16 to 32 form an integral part of these financial statements.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022

1 General information

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

The address of its registered office is Prestige Group Head Office, Roseville Court, Blair Avenue, Ingleby Barwick, Stockton-On-Tees, TS17 5BL.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 July 2022.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

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.

On 1 March 2018 the entire share capital of Prestige Care Limited was acquired through the issue of one share in the company for one hundred shares in the subsidiary's share capital. The total nominal value of shares acquired and issued was the same. Management have concluded that this transaction qualifies for merger relief under section 612 of the Companies Act 2006. Under merger relief the results of the subsidiary are presented in the group as though the group always existed and the acquired net assets are introduced from the earliest period using their existing carrying values. The shares have been recognised at their nominal value of £1 each. No share premium or goodwill has been recognised on this transaction.

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.

As a consolidated Income Statement is published, a separate Income Statement for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Assessing nature of lease - The Company has entered into commercial leases and as a lessee it obtains use of property, plant and equipment. The classification as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation - Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation.

Impairment of debtors - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

Revenue from providing nursing and care services is measured by reference to period of occupation.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grant will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the assets expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the assets carrying amount.

Government grants included within other operating income includes the UK Government assistance provided through Coronavirus Job Retention Scheme and the Adult Social Care Infection Control Fund during the Covid-19 pandemic.

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.

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 statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

Asset class	Depreciation method and rate
Fixtures & fittings	3 to 5 years straight line
Office equipment	3 years straight line
Leasehold improvements	Straight line over the remaining term of the lease

Business combinations

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

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

Stock, consisting of consumables and cleaning supplies, is recorded at cost.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

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 income statement 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.

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 group'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.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

3 Turnover

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

	2022	2021
	£	£
Provision of nursing and care services	<u>9,934,768</u>	<u>9,171,279</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	594,841	1,266,031
Other operating income	112,835	113,709
Management charges receivable	413,782	237,045
	<u>1,121,458</u>	<u>1,616,785</u>

Government grants consist of Adult Social Care Infection Control Fund grants and other UK Government and local authority COVID-19 support measures.

5 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	<u>111,597</u>	<u>115,965</u>

6 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	<u>813</u>	<u>407</u>

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

7 Staff costs

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

	2022	2021
	£	£
Wages and salaries	6,689,733	6,470,944
Social security costs	392,470	391,737
Pension costs, defined contribution scheme	88,577	90,366
	<u>7,170,780</u>	<u>6,953,047</u>

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

	2022	2021
	No.	No.
Nursing and care	384	419
Administration and support	11	12
	<u>395</u>	<u>431</u>

8 Taxation

Tax charged/(credited) in the consolidated income statement

	2022	2021
	£	£
Current taxation		
UK corporation tax	88,636	118,900
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(20,030)</u>	<u>(8,918)</u>
Tax expense in the income statement	<u>68,606</u>	<u>109,982</u>

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

8 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>377,124</u>	<u>574,680</u>
Corporation tax at standard rate	71,654	109,189
Effect of revenues exempt from taxation	(519)	(459)
Effect of expense not deductible in determining taxable profit (tax loss)	1,861	(16,896)
UK deferred tax (credit)/expense relating to changes in tax rates or laws	(4,940)	16,268
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>550</u>	<u>1,880</u>
Total tax charge	<u>68,606</u>	<u>109,982</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021 and the deferred tax balances at the year end have been calculated based on this rate.

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated capital allowances	-	50,808
Other short term timing differences	<u>3,056</u>	<u>-</u>
	<u>3,056</u>	<u>50,808</u>
2021		
Accelerated capital allowances	-	71,795
Other short term timing differences	<u>4,013</u>	<u>-</u>
	<u>4,013</u>	<u>71,795</u>

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

8 Taxation (continued)

Company

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated capital allowances	-	42
Other short term timing differences	357	-
	<u>357</u>	<u>42</u>
2021		
Accelerated capital allowances	-	157
Other short term timing differences	107	-
	<u>107</u>	<u>157</u>

9 Tangible assets

Group

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 August 2021	892,594	485,975	45,288	1,423,857
Additions	-	8,705	389	9,094
At 31 July 2022	<u>892,594</u>	<u>494,680</u>	<u>45,677</u>	<u>1,432,951</u>
Depreciation				
At 1 August 2021	106,339	295,007	36,113	437,459
Charge for the year	36,026	67,269	8,302	111,597
At 31 July 2022	<u>142,365</u>	<u>362,276</u>	<u>44,415</u>	<u>549,056</u>
Carrying amount				
At 31 July 2022	<u>750,229</u>	<u>132,404</u>	<u>1,262</u>	<u>883,895</u>
At 31 July 2021	<u>786,253</u>	<u>190,968</u>	<u>9,175</u>	<u>986,396</u>

Included within the net book value of leasehold improvements above is £750,229 (2021 - £786,254) in respect of long leasehold land and buildings.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

9 Tangible assets (continued)

Company

	Office equipment £	Total £
Cost or valuation		
At 1 August 2021	1,928	1,928
At 31 July 2022	1,928	1,928
Depreciation		
At 1 August 2021	1,302	1,302
Charge for the year	460	460
At 31 July 2022	1,762	1,762
Carrying amount		
At 31 July 2022	166	166
At 31 July 2021	626	626

10 Investments

Company

	2022 £	2021 £
Investments in subsidiaries	310	310
Subsidiaries		£
Cost or valuation		
At 1 August 2021		310
At 31 July 2022		310
Provision		
At 1 August 2021		-
At 31 July 2022		-
Carrying amount		
At 31 July 2022		310
At 31 July 2021		310

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

10 Investments (continued)

Details of undertakings

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

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Prestige Care Limited	Prestige Group Head Office, Roseville Court, Blair Avenue, Ingleby Barwick, Stockton on Tees, TS17 5BL.	Ordinary shares	100%	100%
Prestige Care (Roseville) Ltd	Prestige Group Head Office, Roseville Court, Blair Avenue, Ingleby Barwick, Stockton on Tees, TS17 5BL.	Ordinary	100%	100%
Prestige Care (Sand Banks) Limited	Prestige Group Head Office, Roseville Court, Blair Avenue, Ingleby Barwick, Stockton on Tees, TS17 5BL.	Ordinary	100%	100%
Prestige Care (Yew Tree) Limited	Prestige Group Head Office, Roseville Court, Blair Avenue, Ingleby Barwick, Stockton on Tees, TS17 5BL.	Ordinary	100%	100%

Subsidiary undertakings

Prestige Care Limited

The principal activity of Prestige Care Limited is operating a residential care home.

Prestige Care (Roseville) Ltd

The principal activity of Prestige Care (Roseville) Ltd is operating a residential care home.

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

10 Investments (continued)

Prestige Care (Sand Banks) Limited

The principal activity of Prestige Care (Sand Banks) Limited is operating a residential care home.

Prestige Care (Yew Tree) Limited

The principal activity of Prestige Care (Yew Tree) Limited is operating a residential care home.

For the year ended 31 July 2022 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Prestige Care Limited (company registration number 03025072)

Prestige Care (Roseville) Ltd (company registration number 11044331)

Prestige Care (Sand Banks) Limited (company registration number 11044838)

Prestige Care (Yew Tree) Limited (company registration number 11529463)

11 Stocks

	2022	Group 2021	2022	Company 2021
	£	£	£	£
Other inventories	3,000	3,000	-	-

12 Debtors

		2022	Group 2021	2022	Company 2021
	Note	£	£	£	£
Current					
Trade debtors		677,135	432,286	130,325	49,094
Amounts owed by related parties	20	-	-	16,574	128,193
Other debtors		5,763,754	4,938,252	1,002,307	817,066
Prepayments		365,381	336,199	430	430
Accrued income		150,000	37,163	150,000	-
		<u>6,956,270</u>	<u>5,743,900</u>	<u>1,299,636</u>	<u>994,783</u>

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

13 Cash and cash equivalents

	2022	Group 2021	2022	Company 2021
	£	£	£	£
Cash on hand	1,024	623	16	-
Cash at bank	124,686	729,171	11,124	101,958
	<u>125,710</u>	<u>729,794</u>	<u>11,140</u>	<u>101,958</u>

14 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Due within one year					
Loans and borrowings		-	3,332	-	-
Trade creditors		505,610	352,337	38,304	61,124
Amounts due to related parties	20	-	-	534,538	443,517
Social security and other taxes		111,450	88,117	23,313	18,096
Outstanding defined contribution pension costs		16,468	31,405	-	1,037
Other creditors		575,940	382,035	3,987	25
Accruals		536,990	385,605	3,627	48,042
Corporation tax liability	8	117,134	147,506	28,720	304
Deferred income		112,485	242,111	-	-
Directors loan accounts		33,757	1,749	33,757	1,749
		<u>2,009,834</u>	<u>1,634,197</u>	<u>666,246</u>	<u>573,894</u>
Due after one year					
Loans and borrowings		-	45,855	-	-
Deferred income		2,268,456	2,380,941	-	-
		<u>2,268,456</u>	<u>2,426,796</u>	<u>-</u>	<u>-</u>

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

14 Creditors (continued)

Deferred income includes amounts of £2,268,456 (2021: £2,380,941) relating to a long term lease incentive; this amount is released to the income statement over the term of the lease.

Bank loans consisted of a Bounce back loan repayable within 5 years. Interest on this loan was payable at 2.5%. The group's banking facilities are secured by a cross guarantee and fixed and floating charges over the assets of all group companies.

15 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £88,577 (2021 - £90,366).

Contributions totalling £16,468 (2021 - £31,405) were payable to the scheme at the end of the year and are included in creditors.

16 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary shares of £0.01 each	8,140	81	8,140	81
A Ordinary shares of £0.01 each	<u>2,860</u>	<u>29</u>	<u>2,860</u>	<u>29</u>
	<u>11,000</u>	<u>110</u>	<u>11,000</u>	<u>110</u>

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

17 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	1,745,146	1,710,927
Later than one year and not later than five years	7,336,663	7,192,807
Later than five years	35,993,010	37,882,012
	<u>45,074,819</u>	<u>46,785,746</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,744,798 (2021 - £1,674,905).

18 Dividends

Interim dividends paid

	2022	2021
	£	£
Interim dividend of £Nil (2021 - £104.90) per each A Ordinary shares share	-	300,000

19 Commitments

Group

Other financial commitments

As part of the lease agreement for the group's care homes the group is committed to certain level of annual expenditure on repairs and maintenance. The amounts below are payable over the next 21 years. The total amount of other financial commitments not provided in the financial statements was £5,789,558 (2021 - £6,121,750).

Prestige Care Group Holdings Ltd

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

20. Related party transactions:

Group

During the year the group charged management fees to the following companies under common control:

	2022	2021
	£	£
Hartlepool United Football Club Limited	150,000	30,000
P&R Construction Limited	-	75,000
Prestige Care (Auguste Communities) Limited	140,662	132,045
	<u>290,662</u>	<u>237,045</u>

At the year end debtors includes the following amounts due from companies under common control:

	2022	2021
	£	£
Hartlepool United Football Club Limited	150,528	3,298
P&R Construction Limited	407,900	28,316
West Acres Park Limited	40	111
Prestige Care (Auguste Communities) Limited	2,135,876	1,989,241
Prestige Care (HM) Limited	1,369,358	1,250,000
Prestige (Fir Tree) Limited	393,175	393,175
Starline Holdings Ltd	1,057,000	1,065,000
Leven Propco Limited	2	-
Prestige Skyhawk Limited	15,013	-
Clarence 18 Limited	13	-

All amounts are interest free and repayable on demand.

21 Ultimate controlling party

The ultimate controlling party is Mr S Singh by virtue of his majority shareholding in Prestige Care Group Holdings Limited.