

Registered number: 05466033

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**HCRG CARE LTD**

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**UNAUDITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**HCRG CARE LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	D J Deitz T20 Pioneer Holdings Limited
<b>Registered number</b>	05466033
<b>Registered office</b>	The Heath Business and Technical Park Runcorn Cheshire WA7 4QX

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## HCRG CARE LTD

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## HCRG CARE LTD

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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#### **Introduction**

The Directors present their strategic report for the year ended 31 March 2023.

#### **Principal activity**

The principal activity of the company during the year was the provision of head office functions to other subsidiaries of the HCRG Care Group.

HCRG Care Group Holdings Ltd (HCGHL) is the parent company of the HCRG Care Group. Its subsidiary HCRG Care Group Ltd (HCGL) delivers back office functions on behalf of the HCRG Care Group and is the parent of HCRG Care Services Ltd (HCSL) which holds contracts with the NHS and local authorities and employs health and care professionals in order to undertake the provision of contracted services.

#### **Business review**

Turnover for the year ended 31 March 2023 decreased to £20.4m (2022: £22.3m) as a result of a decrease in management recharge revenue due to the decreased proportion of expenditure that was recharged to other HCRG Care subsidiaries during the year. Additionally, the company made a profit before tax of £1.5m (2022: profit of £0.6m).

HCRG Care Ltd no longer directly holds any contracts for the provision of services to the NHS and local authorities and is now focused on providing back-office functions to support contracts for the provision of services held by other parts of the HCRG Care Group.

As a result, all turnover for the year was derived from management recharge income in relation to the group support services detailed above.

The HCRG Care Group continues to bid for and deliver new and innovative contracts, the most substantive developments in year being appointed as the provider for an Urgent Care Centre in Reading in December 2022 and a Keyworker Service for Children & Young People (C&YP) for Southend, Essex and Thurrock from February 2023.

On 16th August 2022 a new wholly owned subsidiary of HCRG Care Services Ltd was incorporated and purchased 90% of CMB Healthcare Holdings Ltd on 26 September 2022. The transaction included the purchase of CMB Healthcare Holdings Ltd's two wholly owned subsidiaries; HCRG Medical Services Limited and CRG Medical Services Ltd, both of which are 90% indirectly owned by HCRG Care Services Ltd. The principal activity of these businesses during the year was provision of forensic medical staffing solutions within the UK – and includes provision for HMP Chelmsford and a number of police forces across the UK.

The group ended the year in a financially strong position to continue to deliver its business plan and forward growth strategy in 2023-24.

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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### **Operational priorities**

The directors had identified four key operational priorities for the year ending 31 March 2023 which are summarised below.

#### **Priority 1 - Ensuring service quality, safety and enhancing the user experience**

The HCRG Care Group has continued to demonstrate the quality and safety of its services during inspections by regulators including the CQC (Care Quality Commission) and Ofsted.

The HCRG Care Group achieved 97% 'good' or 'outstanding' ratings for its inspected services during the year representing the relatively mature status of a number of the Group's contracts and the successful delivery of transformation plans.

The HCRG Care Group continued to invest in new ways of working and systems to monitor service user satisfaction and to make improvements as a result of feedback. The Group is pleased that 94% (2021-22: 93%) of those using the group's services said their experience of our service was good/very good'.

Finally, the organisation received 35,463 (2021-22: 24,772) completed Patient Reported Experience Measure (PREMS) surveys providing vital information which supports us in developing services to deliver a better experience.

#### **Priority 2 - Robust governance: fostering safeguarding and quality assurance processes which are standardised across the business**

The organisation continued to improve processes and governance and sought to assure the HCRG Care Group, commissioners and the public that appropriate measures are in place to provide safe, high quality services.

Over the year, the HCRG Care Group has continued its commitment to continually improving governance processes to assure itself that there are clear lines of accountability, that risks are proactively identified and managed and that the business remains compliant with regulatory standards.

#### **Priority 3 - To continue to be recognised as an outstanding employer**

The HCRG Care Group continued to develop its Employer Brand during the year, building on its purpose to 'change lives through transforming health and care'.

Throughout the year we continued to work closely with our internal training arm, The Learning Enterprise, to develop our training and development offer for all of our colleagues, and to provide links to NHS and other training programmes. This included continuing our apprenticeship programme which is delivered through The Learning Enterprise.

The HCRG Care Group also measured the satisfaction of its colleagues through its quarterly Colleague Survey and increased its score of colleagues recommending the organisation as a place to work by 3% (2022-23: 61%; 2021-22: 58%). The percent of colleagues who completed at least one survey in 2022-2023 is 58%.

#### **Priority 4 - Delivering quality health and care services as efficiently as possible**

The HCRG Care Group continued to focus on delivering high quality health and social care services as efficiently as possible in its existing and new contracts and to develop models and tools which facilitate that in future contracts too.

During the year, as noted above, the HCRG Care Group continued to invest in these tools and ways of working and continued to develop its expertise in service design and change management with a focus on clinical expertise.

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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### **Principal risks and uncertainties**

The HCRG Care Group operates a Risk Management Framework in order to manage the risks and uncertainties of the business. The Executive Team reviews all high scoring risks and escalates the main risks to the Board for review at each meeting.

The major risks that could impact the business are as follows:

#### ***Planned legislative change***

The 2022 Health and Care Act is expected to implement changes already articulated in the NHS Long Term Plan to move towards Integrated Care Systems (ICS) and for providers and commissioners to work more closely together, including through a new Provider Selection Regime which will replace the Public Contract Regulations for health and care services.

The changes to the procurement regime seek to ensure that procurement is used primarily as a tool to drive improvement by removing the automatic requirement to run a competitive tender process based on contract value. While this does present a risk to the business, the removal of the automatic need to procure is likely to be positive in allowing the group to retain contracts where services are demonstrably performing well for service users and communities.

In addition, as an experienced provider with a 15 year track record of delivering transformation and improvement we are well placed to support commissioners with improvement, transformation and change work where they believe services require it.

#### ***Shortage of qualified professionals and the UK's departure from European Union***

Across England, there are shortages in some key professionalisms which enhances the significant risk regarding the retention and recruitment of qualified professionals.

This is further compounded by regular changes to the Agenda for Change pay deal. The risk is mitigated in practice as national pay awards are routinely funded through changes to annual contract prices by reference to an NHS inflation adjustment (in NHS contracts) or through increases in the Public Health ring-fenced grant which are transferred to providers (in Local Authority contracts).

#### ***Short lead in time for new contracts***

The HCRG Care Group continues to bid for large contracts which sometimes have short lead-in times. The directors must ensure the business has the resources and management processes in place to safely mobilise more than one large contract at a time.

The directors are satisfied that such matters are properly discussed by the Board and are adequately resourced.

#### ***Future developments***

The continued provision of high-quality services and safety remains a top priority for 2023-24, as does retaining existing service contracts and growing sustainably in order to deliver the organisation's purpose: to change lives by transforming health and care. The Board has aligned on three strategic aims: transformation, growth and sustainability, underpinned by the following strategic priorities and objectives:

#### ***Delivery of Transformation***

- Drive tangible quality outcomes to promote the success and impact of our transformational work, by:
- Being a responsive provider, meet the expectations of our customers/stakeholders
- Empowering leaders to drive a culture of transformation & change across the organisation
- Attracting, retaining and developing a high performing and sustainable workforce

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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### **Growth**

- Continue to grow and retain key contracts in focused areas where we can make a difference
- Leverage existing market strength
- Diversify into non-public funded market segments
- Utilise mergers and acquisitions to supplement the growth plan and add strategic capabilities

#### **Sustainable and efficient business**

- Maintain financial sustainability
- Achieve internal efficiencies to deliver improved business results and effective processes

HCRG Care Group Section 172(1) statement General confirmation of Directors' duties

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making; the Board of HCRG Care Group confirm that they have adhered to section 172 obligations and welcome the opportunity to demonstrate how this has been achieved in the financial year ended 31 March 2023.

#### **The likely consequences of any decision in the long term**

The Directors have a number of ways in which they ensure that any decision made takes consideration of the long-term impact it may have, examples of which include:

#### **Delegation of Authority**

As detailed in the Wates Statement (<https://www.hcrgcaregroup.com/legal-information/>) the HCRG Care Group Board has a comprehensive framework for determining matters requiring Board review and approval and those day to day decisions delegated to employees, through the Scheme of Reservation and Delegation ("SORD").

#### **Strategic planning**

The organisational strategy is set by the Board and, as highlighted in the 'Wates Statement - principle 4', a 3-year strategy was approved in February 2022. The Board continually monitors achievement of the strategy across a number of domains including financial performance, quality, workforce availability, growth and corporate governance and risk controls.

#### **The interests of the company's employees**

The Board ensures that the interests of employees are always at the forefront of deliberations. Examples of how employees are engaged and considered when making decisions are highlighted below.

#### **Colleague engagement**

Over the past year colleague engagement has remained fundamental to ensuring we focus on colleague wellness during another challenging year for health and social care staff across the country. We have ensured that colleagues feel they are being kept informed with regular updates from senior leadership, including a monthly video message from our Executive Chair, Stephen Collier.

We deliver more than 400 services across the country and our ability as an organisation to communicate with our thousands of frontline workers - many of whom are working on shifts 24 hours a day, seven days a week - has proved to be effective in helping our services remain adaptable.

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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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We have continued to empower our colleagues to question and challenge and if there are concerns about something at work we encourage and support them to speak up. To make this as easy as possible we have Freedom to Speak up Guardians providing independent and impartial advice and an anonymous online reporting system.

We have continued to maintain and develop our wellness centre to provide help and support to colleagues; this is found on our intranet and includes information on tools, places and people that can be used to help colleagues manage their personal health and wellbeing, whether through face to face conversations, our online wellbeing platforms or through occupational health. We have a number of tools available to colleagues in our 'My Reward Hub' employee benefit including a white goods purchase scheme, cycle to work and supportive measures to colleagues.

Rewarding and encouraging our colleagues' exceptional skills and efforts remains at the heart of our organisation. Despite ongoing challenges caused by the pandemic, we still held an annual colleague awards event, bringing colleagues together virtually to celebrate their successes.

We also recruited a panel of colleagues to allocate grants from our Innovation Fund, which provides money to colleagues for 'seed' funding for self-sustaining projects, or to purchase equipment or resources that will continue to make a difference over at least one year.

#### **Objectives, appraisals and development**

A rigorous approach is taken to objective setting and appraisals, ensuring all colleagues' objectives are linked to organisational objectives and that each and every colleague has the opportunity to talk about delivery of their objectives and their personal development twice a year. This year has been no different and there has been a focus on ensuring that colleagues have the opportunity to speak to their managers regularly.

We monitor our employee satisfaction and engagement through our colleague survey, which is carried out quarterly. Results are shared with the full business and discussed at every level of the organisation alongside an action plan.

The Learning Enterprise (TLE) is HCRG Care Group's training and development department, delivering clinical and non-clinical training and development programmes for health and care professionals. Over the course of the year TLE has supported the business in gradually moving away from the pandemic reliance on e-learning as other forms of training have become practicable once more. TLE has continued to deliver virtual classroom courses which are available to any organisation in the health and social care sector on topics in quality, safety, leadership and clinical training. A total of 1576 2,675 virtual classroom sessions were offered with 14,901 15,848 colleagues attending..

TLE holds an Ofsted rating of "Outstanding" for apprenticeship delivery, , with inspectors commending an approach which helps learners to "develop increased resilience, confidence and self-esteem."



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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### **The need to foster the company's business relationships with suppliers, customers and others**

The Directors regularly receive updates on a variety of topics that indicate and inform how customers, suppliers and other stakeholders have been engaged. These range from information provided from the HCRG Care Group's finance and procurement teams (in relation to suppliers and supplier contract management topics) to information provided by operational teams in relation to contract performance (concerning customer relationships).

As highlighted in the Wates Statement principle 6 (<https://www.hcr'gcaregroup.com/legal-information/>), HCRG Care Group has a wide range of stakeholders who are key to delivering the strategy and providing first class care. Working in partnerships is not something new for HCRG Care Group - it is part of our DNA and over the past year maintaining our relationships with our stakeholders has been key to enabling us to continue to deliver effective and safe services and allowing us to support wider NHS and Social Care partners in continuing to deliver services. We send bulletins and newsletters to our key stakeholders (including Commissioners, partner organisations, MPs and councillors) advising of our latest news and any announcements as they happen. Below you will see examples of the exemplary work that has been undertaken across our services during the past year.

**System Partners:** Our team in North Kent was a key system partner during the winter of 2022/23 when we saw a surge in emergency department visits and severity of cases. We led on a therapy Drop and Stop initiative, investing in a therapy in-reach team that worked in partnership with Trust therapy teams to target patients who were medically fit for discharge and could be discharged directly home and provided with an immediate package of care. In addition to this, 999 requests for an ambulance were redirected to our falls response team where appropriate, assisting the avoidance of unnecessary hospital admissions, taking further pressure off hospitals and waiting times. This partnership working was shortlisted for a HSJ Patient Safety Award.

**Service users:** 'Family voice' - the voice of the child or young person and family - is integral to the Essex Business Unit's service delivery and is a standing agenda item within the service's monthly Service Performance and Quality Review meetings. Service user feedback is used to inform future service developments and delivery.

**Local Authority Commissioners:** Our team in Lancashire worked closely with our commissioners at Lancashire County Council and its Children and Family Wellbeing Team to begin building a model of integrated working to enable a seamless journey for the families in the local community. This included engagement events to look at shared pathways. We also partnered with early years settings to establish an integrated working pathway that will enable robust communication and identification of need for early intervention.

**CQC and Ofsted:** As a provider of health and social care, Care Quality Commission standards must be met. We run our own internal inspections and have robust online governance and reporting systems to monitor how services are doing. We work in a collaborative and transparent manner with our regulators to enable good service user outcomes and 97% of our services have been rated as good or outstanding with TLE also obtaining an outstanding assessment following its first full Ofsted inspection.

**Care Homes and Commissioners:** Recognising that many of its patients live in residential care, and that its teams are reliant on the skills of care home colleagues to keep patients safe and free from pressure damage, the tissue viability nurse specialist and continence specialist nurse in West Lancashire delivered pressure prevention and managing continence training to colleagues within the care home setting.

**Local MPs and councillors:** We reached out to key local MPs and councillors during 2022/23 to update them on our work and invite them to meet our managing directors and senior managers to find out more about what we do in their area. This resulted in a number of positive meetings.

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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### **The impact of the company's operations on the community and the environment**

Delivering high quality services for communities is what we do as an organisation. We are therefore very conscious of the impact we make in communities and understand the importance of focusing not just on the services we deliver, but also on the communities we serve. We don't have a one-size-fits-all approach; instead we tailor our services to each of the areas we work in, partnering with commissioners, colleagues and local people and organisations to deliver a unique service, based around the needs of the local community.

Examples of how we have still managed to do this over the past year include:

In North Kent, the organisation's social value programme focuses on supporting residents in gaining work experience and local jobs, giving extra support to the organisation's most vulnerable patients, and improving the quality of life for those in hardship. We work in partnership with local schools and colleges to support students' education and provide a bridge into employment, offering work placement and engagement opportunities and careers advice for the next generation of health and care professionals. We have also invested around £3,000 to purchase over 100 thermal blankets for some of the most vulnerable service users and over 100 new toys for children. More activity is planned for 2023/24 including the introduction of a scheme where every colleague working in our North Kent services can have a paid day off a year to work for a local voluntary organisation, the redevelopment of the garden outside Harty Ward at Sheppey Community Hospital and the provision of subsidised, nutritional and locally sourced meals at Sheppey Community Hospital.

**Net Zero:** Climate change, air pollution and waste present enormous challenges to the country, to the world and to future generations. Our purpose is to change lives by transforming health and care and our Green Plan, which was first implemented in 2020, sets out how we make sure we will use resources efficiently to deliver high quality, safe and sustainable services over the next 5 years. We have set a Net Zero Target of Scope 1 and 2 emissions by 2023, and Scope 3 by 2045. A copy of the full planour Carbon Reduction Plan is available on the company's website at [www.hcrgcaregroup.com](http://www.hcrgcaregroup.com) and copies of local action plans have been provided to the organisation's public sector commissioners.

#### **Apprenticeships:**

We are proud of the continual high standard of training offered and delivered through TLE. Supporting our colleagues in their personal and professional development is a continual commitment.

We have a highly performing apprenticeship delivery team who support and develop the careers of our colleagues and, despite the ongoing challenges following the pandemic, we have seen 177 colleagues on apprenticeship programmes during the year and supported 66 apprentices in successfully completing their apprenticeship programme.

TLE's Outstanding Ofsted report gave highly positive feedback on the Apprenticeship Programme and inspectors were particularly impressed with how, through TLE training, apprentices were able to "demonstrate outstanding resilience to work and study while the pandemic" continued "to place additional pressures on the health and social care sector."

#### **The desirability of the company maintaining a reputation for high standards of business conduct**

##### **Commissioners**

We work closely with our Commissioners and believe having strong relationships is fundamental to delivering high quality services. These relationships are built at bidding stage and continue all the way through the life of the contract. As demonstrated above, we have worked closely with our Commissioners over the past year to ensure we continued to deliver first class service, whilst also supporting other providers in their provision.

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## HCRG CARE LTD

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Information Governance

As a data controller we have a legal and ethical duty to keep the records we hold confidential. The confidentiality and security of information is very important to us. We take the utmost care when handling personal and confidential information and ensure that we have appropriate organisational and technical security measures in place to prevent unauthorised access, accidental damage, destruction or loss.

Examples of how we do this include: Induction and annual refresher Information Governance training of staff to understand their duty of confidentiality and their responsibilities regarding data security and confidentiality of patient and other personal data; annual completion and submission of the NHS Digital's Data Security and Protection Toolkit (DSPT); ensuring that data protection by design and default is built into our processes, completing due diligence and imposing contractual obligations on providers and persons working under our instruction.

#### Gender Pay

As a Board we are committed to closing the gender pay gap in our organisation, the current overall pay gap is 33.50% mean (11.46% median) and we have a number of measures in place to reduce this, including introducing 'blind CV's' to the process to eliminate unconscious bias in the shortlisting phase, continuing to develop and monitoring our Pay and Reward policy to include more guidance and practical support for ensuring fair and equitable pay. More information can be found on our website: <https://www.hcrgcaregroup.com/legal-information/gender-pay-gap-report-2022/>.

#### Modern slavery

In August 2022, the Board approved the annual Modern Slavery Act Statement. The statement can be found at: <https://www.hcrgcaregroup.com/legal-information/modern-slavery-act/>. HCRG Care Group is committed to observing high ethical standards and does this not only to comply with laws and regulations but because we want to earn and maintain the trust of our service users, colleagues and partners. We believe that success and reputation is not only dependent on the quality of the services we deliver, but also on the way we do business. We share the majority of our supply chain with the state-operated NHS, and all organisations supplying the NHS are subject to the NHS Code of Conduct on Ethics and Labour.

Our frontline teams are trained to appropriate levels in Safeguarding for their role, and this training - which is completed annually - includes material on identifying signs of modern slavery and human trafficking among the people who use the services we run.

Care Think Do Executive sponsored Leadership Programme aimed at any person with line management responsibility launched September 2022 after pilot provision. 679 managers will be trained over a 2 year period with 5 sessions delivered between October 2022 and March 2023 delivered to 50 managers. Further roll out continuing into FY 2023-2024 and beyond

#### Our shareholders

HCRG Care Group Holdings Ltd is owned by T20 Pioneer Midco Limited. All decisions made have due regard to all members of the company.

This report was approved by the board on 29 November 2023 and signed on its behalf.



**D J Deitz**  
Director

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## HCRG CARE LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Principal activity**

The principal activity of the Company during the year was the provision of head office functions to other subsidiaries of the HCRG Care Group.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £799,000 (2022 - £1,921,000).

During the year no dividends were awarded (2022: £Nil).

#### **Directors**

The directors who served during the year were:

D J Deitz  
T20 Pioneer Holdings Limited

#### **Environmental matters**

We are conscious of our duty to use resources responsibly and to minimise any environmental impacts of our business activities. This is not only the right thing to do but has also been identified as an issue that our employees care about. We use leased facilities both in Hospitals, Offices and Medical facilities and incur transport expenditure operating several contracts.

We have a Green working group that will continue to look at opportunities to reduce our energy consumption.

We have clear objectives to reduce energy consumption and waste production within our office and medical environments.

The company has taken the exemption not to disclose its individual energy consumption and energy usage is included in the financial statements of HCRG Care Group Holdings Ltd.

#### **Future developments**

The company will continue to provide head office functions to group subsidiaries during 2023-24. As detailed in the strategic report, the wider HCRG Care Group will continue with the provision of high-quality medical services and safety remains a top priority for 2023-24.

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## HCRG CARE LTD

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Engagement with employees

The HCRG Care sub-group encourages employee involvement in its affairs. The HCRG Care Group produces a weekly electronic newsletter which keeps employees abreast of developments. Senior management within the HCRG Care Group meet regularly to review strategic developments and an annual event is held at which all staff can come together and share ideas.

Dialogue takes place regularly with employees' representatives on a wide range of issues. Employees are able to share in the HCRG Care Group's results through the employee bonus scheme.

Employee views are also sought through regular employee satisfaction questionnaires, both within business units and across the Group. Following such surveys, results are shared with employees and action plans are put in place to deal with issues arising.

The HCRG Care Group places considerable emphasis on the development of its employees through individual development plans, and training. The Learning Enterprise provides links to NHS and other external training programmes and gives all staff access to high quality, accredited training.

The HCRG Care Group annually runs the 'Stars of the Year' awards, which are peer nominated awards to recognise those staff who embody the core values of the business.

A talent management programme to focus on the identification and development of our high potential staff continued to operate during the year.

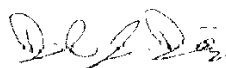
#### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 29 November 2023 and signed on its behalf.



**D J Deitz**  
Director

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## HCRG CARE LTD

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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HCRG CARE LTD

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

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	Note	2023 £000	2022 £000
Turnover	4	20,439	22,353
Cost of sales		(15,546)	(18,088)
<b>Gross profit</b>		<b>4,893</b>	<b>4,265</b>
Administrative expenses		(4,827)	(4,431)
<b>Operating profit/(loss)</b>	5	<b>66</b>	<b>(166)</b>
Income from shares in group undertakings		1,402	806
Interest receivable and similar income	8	31	1
<b>Profit before tax</b>		<b>1,499</b>	<b>641</b>
Tax on profit	9	(700)	1,280
<b>Profit for the financial year</b>		<b>799</b>	<b>1,921</b>

There was no other comprehensive income for 2023 (2022:£000NIL).

The notes on pages 16 to 33 form part of these financial statements.

**HCRG CARE LTD**  
**REGISTERED NUMBER: 05466033**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	10	168	29
Tangible assets	11	321	446
Investments	12	197	197
		<u>686</u>	<u>672</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	78,457	25,312
Cash at bank and in hand	14	-	1,068
		<u>78,457</u>	<u>26,380</u>
Creditors: amounts falling due within one year	15	(175,709)	(124,329)
<b>Total assets less current liabilities</b>		<u>(96,566)</u>	<u>(97,277)</u>
Creditors: amounts falling due after more than one year	16	(69)	(153)
<b>Provisions for liabilities</b>			
Other provisions	18	(33)	(37)
<b>Net liabilities</b>		<u>(96,668)</u>	<u>(97,467)</u>
<b>Capital and reserves</b>			
Called up share capital	19	53,806	53,806
Profit and loss account		(150,474)	(151,273)
		<u>(96,668)</u>	<u>(97,467)</u>

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.



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HCRG CARE LTD  
REGISTERED NUMBER: 05466033

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2023**

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The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2023.



**D J Deitz**  
Director

The notes on pages 16 to 33 form part of these financial statements.

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**HCRG CARE LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

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	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 April 2021</b>	<b>53,806</b>	<b>(153,194)</b>	<b>(99,388)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,921	1,921
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,921</b>	<b>1,921</b>
<b>At 1 April 2022</b>	<b>53,806</b>	<b>(151,273)</b>	<b>(97,467)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	799	799
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>799</b>	<b>799</b>
<b>At 31 March 2023</b>	<b>53,806</b>	<b>(150,474)</b>	<b>(96,668)</b>

The notes on pages 16 to 33 form part of these financial statements.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. General information

HCRG Care Ltd (the "Company") is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is The Heath Business and Technical Park, Runcorn, Cheshire, United Kingdom WA7 4QX. The company's registered number can be found on the General Information page.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of HCRG Care Holdings Limited as at 31 March 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CH14 3UZ.

##### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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## 2. Accounting policies (continued)

### 2.4 Going concern

The Company is part of the 'HCRG Care Group'. The Company's parent entity is T20 Pioneer Holdings Limited and is ultimately controlled by Twenty20 Capital Limited and IJMH Limited.

The Directors have prepared cash flow forecasts at a HCRG Care Group level to determine whether the entities within the control of HCRG Group Holdings Limited, the parent of the group, can continue as a going concern. It is the intention of the Directors to utilise funds across the HCRG Care Group as required, to ensure all entities can meet liabilities as they fall due.

The Directors have prepared HCRG Care Group cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the HCRG Care Group will have sufficient funds, generated from operations, to meet its liabilities as they fall due for that period. Reasonably possible downside scenarios include a no growth model where no additional contracts are won across the forecast period. In this scenario the HCRG Care sub-group has sufficient funds to operate as a going concern. The impact of COVID-19 including returning to normality has been considered within the forecasts made by the HCRG Care Group.

Given HCRG Care Ltd has a large shareholders deficit, its parent entity HCRG Care Group Holdings Ltd has indicated that it does not intend to seek repayment of these amounts for a period of 12 months from the date of approval of the financial statements. Therefore at the date of approval of the financial statements the directors have no reason to believe the company is not a going concern.

The Company is a cost centre for the HCRG Care Group and provides service to the rest of the group to allow them to operate. It is part of the group wide central cash pooling arrangement. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The directors have considered the intent of T20 Pioneer Holdings Limited to continue to support the business as a going concern and consider this to be the case.

### 2.5 Revenue

The company recognises revenue from the provision of management services to group subsidiaries in respect of head office functions that the company performs.

Revenue from services is recognised by reference to the stage of completion of the contract determined by the value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable that the economic benefits will be received. When this cannot be estimated reliably, revenue is only recognised to the value of the expenses that it is considered probable will be recovered, with a "catch-up" element of revenue recognised based on stage of completion once a reliable estimate can be made. Consultancy services provided to the client which at the balance sheet date have not been billed have been recognised as revenue and are included in debtors as accrued income.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 2.6 Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs.

##### 2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.9 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company 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.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operated and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

##### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	5	years on a straight-line basis
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##### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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## 2. Accounting policies (continued)

### 2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Short-term leasehold property	- 5 years on a straight-line basis
Fixtures and fittings	- 3 years on a straight-line basis
Office equipment	- 3 years on a straight-line basis
Computer equipment	- 3 years on a straight-line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Under FRS 102, the investments in LLP's that are 50% owned are considered to be subsidiaries as the Company is deemed to exercise control over these entities.

### 2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows.

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs. The company only recognises a deferred tax asset to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Following a period of restructuring, the company considers that future taxable profits can now be estimated more reliably and is therefore recognising the losses in full.



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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Rendering of services	-	13
Management charge revenue	<b>20,438</b>	<b>22,340</b>
	<b>20,438</b>	<b>22,353</b>

All turnover arose within the United Kingdom.

**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Other operating lease rentals	<b>321</b>	<b>546</b>
Depreciation	<b>177</b>	<b>219</b>
Amortisation	<b>22</b>	<b>37</b>
Impairment reversal	-	(154)

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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	2023 £000	2022 £000
Wages and salaries	11,917	15,268
Social security costs	1,341	1,633
Cost of defined contribution scheme	482	548
	<u>13,740</u>	<u>17,449</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Registered	10	12
Non-Registered	269	349
	<u>279</u>	<u>361</u>

Registered employees refer to our health and care professionals who are registered with a relevant professional governance body, such as the Nursing and Midwifery Council or General Medical Council.

**7. Directors' remuneration**

	2023 £000	2022 £000
Directors' emoluments	587	1,013
Company contributions to defined contribution pension schemes	10	20
	<u>597</u>	<u>1,033</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £309,000 (2022 - £621,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,000 (2022 - £13,000).

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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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8. Interest receivable

	2023 £000	2022 £000
Other interest receivable	31	1

9. Taxation

	2023 £000	2022 £000
<b>Corporation tax</b>		
Current tax on profits for the year	-	2,093
<b>Deferred tax</b>		
Origination and reversal of timing differences	352	(1,176)
Changes to tax rates	348	-
Losses and other deductions	-	(2,197)
<b>Total deferred tax</b>	700	(3,373)
<b>Taxation on profit/(loss) on ordinary activities</b>	700	(1,280)

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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2022 - the same as) the standard rate of corporation tax in the UK of 19% (2022 - 19%) as set out below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	1,499	641
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	284	(55)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	260	197
Capital allowances for year in excess of depreciation	(11)	(21)
Adjustments to tax charge in respect of prior periods	85	-
Deferred tax recognised	348	(3,373)
Current year deferred income tax unrecognised	-	(118)
Group relief for revised historical losses surrendered to group	-	2,094
Non-taxable income	(266)	(182)
Transfer pricing adjustments	-	178
Total tax charge for the year	700	(1,280)

Factors that may affect future tax charges

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. The deferred tax assets/liabilities at 31 March 2023 have been calculated at 25% (2022: 25%). In the 3 March 2021 Budget and confirmed in the Autumn Statement on 17 November 2022, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS 102, a deferred tax asset of £xxx (2022: £3,373,000) has been recognised, arising from tax losses and other timing differences.

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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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10. Intangible assets

	Computer software £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 April 2022	6,849	102	6,951
Additions	161	-	161
At 31 March 2023	<u>7,010</u>	<u>102</u>	<u>7,112</u>
<b>Amortisation</b>			
At 1 April 2022	6,820	102	6,922
Charge for the year on owned assets	22	-	22
At 31 March 2023	<u>6,842</u>	<u>102</u>	<u>6,944</u>
<b>Net book value</b>			
At 31 March 2023	<u>168</u>	<u>-</u>	<u>168</u>
At 31 March 2022	<u>29</u>	<u>-</u>	<u>29</u>

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**HCRG CARE LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**11. Tangible fixed assets**

	Land and Buildings £000	Furniture, fittings and equipment £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2022	424	7	252	1,802	2,485
Additions	19	-	-	33	52
At 31 March 2023	<u>443</u>	<u>7</u>	<u>252</u>	<u>1,835</u>	<u>2,537</u>
<b>Depreciation</b>					
At 1 April 2022	392	7	252	1,388	2,039
Charge for the year on owned assets	36	-	-	141	177
At 31 March 2023	<u>428</u>	<u>7</u>	<u>252</u>	<u>1,529</u>	<u>2,216</u>
<b>Net book value</b>					
At 31 March 2023	<u>15</u>	<u>-</u>	<u>-</u>	<u>306</u>	<u>321</u>
At 31 March 2022	<u>32</u>	<u>-</u>	<u>-</u>	<u>414</u>	<u>446</u>

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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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12. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 April 2022	1,319
At 31 March 2023	1,319
<b>Impairment</b>	
At 1 April 2022	1,122
At 31 March 2023	1,122
<b>Net book value</b>	
At 31 March 2023	197
At 31 March 2022	197

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**HCRG CARE LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**12. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
HCRG Care Services Ltd	The Heath Business and TechnicalPark*	Ordinary	100%
HCRG Care Provider Services Ltd	The Heath Business and TechnicalPark*	Ordinary	100%
HCRG Care Community Services Limited	The Heath Business and TechnicalPark*	Ordinary	100%
HCRG Care Coventry LLP	The Heath Business and TechnicalPark*	Ordinary	100%
HCRG Care East Riding LLP	The Heath Business and TechnicalPark*	Ordinary	100%
HCRG Care Vertis LLP	The Heath Business and TechnicalPark*	Ordinary	100%
HCRG Care Reading LLP	The Heath Business and TechnicalPark*	Ordinary	100%
Peninsula Health LLP	The Heath Business and TechnicalPark*	Ordinary	50%

\*The full registered office address for all subsidiaries and the joint venture is The Heath Business and Technical Park, Runcorn, Cheshire, WA7 4QX.

Peninsula Health LLP is a subsidiary of HCRG Care Ltd, with the Company holding 50% and the remaining partnership members jointly owning the remaining 50%. However, the Company has established control over the entity.

All other LLPs are subsidiaries of HCRG Care Ltd, with the Company holding 99% and HCRG Care Services Limited holding 1%.

**13. Debtors**

	<b>2023 £000</b>	<b>2022 £000</b>
Trade debtors	-	18
Amounts owed by group undertakings	51,313	-
Other debtors	40	143
Prepayments and accrued income	24,431	21,778
Deferred taxation	2,673	3,373
	<b>78,457</b>	<b>25,312</b>



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**HCRG CARE LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**14. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	-	1,068
Less: bank overdrafts	<b>(8,025)</b>	<b>(1,110)</b>
	<u><b>(8,025)</b></u>	<u><b>(42)</b></u>

**15. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts	<b>8,025</b>	1,110
Trade creditors	<b>212</b>	2,053
Amounts owed to group undertakings	<b>160,369</b>	117,475
Other taxation and social security	<b>299</b>	622
Other creditors	<b>382</b>	181
Accruals and deferred income	<b>6,422</b>	2,888
	<u><b>175,709</b></u>	<u><b>124,329</b></u>

Amounts owed by group undertakings are unsecured, have no fixed repayment date and are interest free.

All other creditors are unsecured.

**16. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Net obligations under finance leases and hire purchase contracts	<b>69</b>	153
	<u><b>69</b></u>	<u><b>153</b></u>

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**HCRG CARE LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**17. Deferred taxation**

	2023 £000
At beginning of year	3,373
Charged to profit or loss	(700)
<b>At end of year</b>	<b>2,673</b>

The deferred tax asset is made up as follows:

	2023 £000	2022 £000
Accelerated capital allowances	2,673	3,373
	<b>2,673</b>	<b>3,373</b>

**18. Provisions**

	Insurance provision £000	Property dilapidation s £000	Total £000
At 1 April 2022	25	12	37
Released in year	(3)	(1)	(4)
<b>At 31 March 2023</b>	<b>22</b>	<b>11</b>	<b>33</b>

The property dilapidations provision relates to the companies contractual obligation to return leased properties back to their original condition at the end of the lease term. Management have calculated the provision for each property on a cost per square foot basis, using both historic and current property surveys as a guide for estimated dilapidations costs.

The insurance provision covers the estimated total gross exposure from potential claims. The maximum net exposure is limited to the reflected figure as insurance provided by a third party will cover any claims greater than the already recognised insurance excess.

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## HCRG CARE LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 19. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
53,805,821 (2022 - 53,805,821) Ordinary shares of £1.00 each	<b>53,805,821</b>	<b>53,805,821</b>

#### 20. Contingent liabilities

At the date of signing the statutory accounts, the directors considered there to be a potential contingent liability for the bank overdraft of £8,025,000 (2022:£Nil), as explained below.

The bank balances of the HCRG Care Group headed up by HCRG Care Group Holdings Ltd are pooled together on a group basis and swept into an overnight deposit account. Consequently, individual entity bank accounts may show an overdrawn position at any time, but overall the HCRG Care Group has the capacity to offset any positive cash balances against any negative cash balances and always maintains a net positive cash position across the HCRG Care Group as a whole. As a result, the HCRG Care Group has no requirement for a formal overdraft facility. This right of offset is underwritten by cross company guarantees (or otherwise known as credit insurance). Therefore, the arrangement is treated as an insurance contract and not a derivative. Subsequently, if indebtedness occurs with the HCRG Care Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £482,000 (2022 - £548,000). Contributions totalling £224,000 (2022 - £548,000) were payable to the fund at the reporting date and are included in creditors.

#### 22. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	69	153
Later than 1 year and not later than 5 years	84	183
	<b>153</b>	<b>336</b>

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HCRG CARE LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**23. Controlling party**

*The immediate parent company is HCRG Care Group Holdings Ltd, a company incorporated in the United Kingdom. The registered office is the Heath Business & Technical Park, Runcorn, Cheshire, WA7 4QX.*

*The ultimate controlling party is Twenty20 Capital Investments Limited, a company incorporated in the United Kingdom. The registered office is 33 Soho Square, London, England, W1D 3QU.*

*The largest Group in which this Group's results are consolidated are those for Twenty20 Capital Investments Limited, a company registered in England and Wales. Copies of these accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ*