

Registration number: 10796658

HCRG Care Private Ltd

Unaudited Financial Statements
for the Year Ended 31 March 2022

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HCRG Care Private Ltd

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HCRG Care Private Ltd

Company Information

Directors	D J Deitz T20 Pioneer Holdings Limited
Registered office	The Heath Business and Technical Park Runcorn Cheshire WA7 4QX
Registered number	10796658

HCRG Care Private Ltd

(Registration number: 10796658)

Statement of Financial Position as at 31 March 2022

	Note	2022 £	2021 £
Current assets			
Debtors	3	78,038	28,023
Cash at bank and in hand		<u>3,570</u>	<u>27,630</u>
		81,608	55,653
Creditors: Amounts falling due within one year	4	<u>(2,624,180)</u>	<u>(2,550,676)</u>
Total assets less current liabilities		(2,542,572)	(2,495,023)
Provisions for liabilities		<u>(131,525)</u>	<u>(131,525)</u>
Net liabilities		<u>(2,674,097)</u>	<u>(2,626,548)</u>
Called up share capital	7	1	1
Retained earnings		<u>(2,674,098)</u>	<u>(2,626,549)</u>
Shareholders' deficit		<u>(2,674,097)</u>	<u>(2,626,548)</u>

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The entity was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors have not required the entity to obtain an audit of its accounts for the year in question in accordance with section 476.

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

Approved and authorised by the Board on 21 December 2022 and signed on its behalf by:



.....
D J Deitz
Director

HCRG Care Private Ltd

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

1 General information

HCRG Care Private Ltd (the "Company") is a private company limited by shares and is incorporated and domiciled in the England and Wales. The registered office is The Heath Business and Technical Park, Runcorn, Cheshire, United Kingdom QA7 4QX.

The Company was formerly known as Virgin Care Private Limited.

These financial statements were authorised for issue by the Board on 21 December 2022.

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 have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The prior year financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' 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.

The financial statements are presented in Pounds Sterling, which is the company's functional and presentational currency.

Summary of disclosure exemptions

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

Section 7 'Statement of Cash Flows': Presentation of a statement of cash flows and related notes and disclosures;

Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;

Section 26 'Share Based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;

Section 33 'Related Party Disclosures': Compensation for key management personnel.

HCRG Care Private Ltd

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

2 Accounting policies (continued)

Going concern

The company ceased trading during 2019 and it is the intention of the directors that the company will be wound up following the expiration of the sub-lease agreement on the company's rental property in November 2022. Accordingly, the going concern basis of accounting is no longer considered to be appropriate as at 31 March 2022. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to cease trading or to reclassify fixed or long term liabilities as current assets or liabilities.

Revenue recognition

The company recognises revenue from the provision of rental services in relation to a sub-lease agreement that the company holds for the property at Edmund Street, Birmingham. The property was formerly used for the Company's principal activity of providing medical services prior to these services exiting during the year ended 31 March 2019.

Revenue is recognised by reference to the accounting period which the rental services are rendered to the tenant, at an amount that reflects the consideration to which the company expects to be entitled in exchange for fulfilling its performance obligations, this being the provision of rental accommodation for a specified period. Any amounts received where the performance obligation has not been met are held as deferred income.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change 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 Company operates and generates taxable income.

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

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 goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

HCRG Care Private Ltd

Notes to the Financial Statements for the Year Ended 31 March 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 Company 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.

Intra-group arrangements

The bank balances of the sub group headed by HCRG Care Group Holdings Limited 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 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 group as a whole. As a result, the 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 within the 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.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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.

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.

HCRG Care Private Ltd

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

3 Debtors

	2022 £	2021 £
Current		
Trade debtors	47,155	-
Prepayments and accrued income	19,646	28,023
Deferred tax asset	11,237	-
	<u>78,038</u>	<u>28,023</u>

4 Creditors

Creditors: amounts falling due within one year

	2022 £	2021 £
Note		
Due within one year		
Trade creditors	1,000	36,481
Amounts owed to group undertakings	2,588,968	699,427
Taxation and social security	-	636
Accruals and deferred income	34,212	19,647
Amounts owed to previous parent undertaking	-	1,794,485
	<u>2,624,180</u>	<u>2,550,676</u>

5 Other provisions

	2022 £
Onerous contract	<u>131,525</u>
	<u>131,525</u>

HCRG Care Private Limited holds a lease for the property at 133 Edmund Street, Birmingham. This lease was held for the performance of the Company's principal activity. However, as the Company ceased trading during the prior year, at which point the contract was considered to be onerous and was provided for in full. The contract has a break clause on 9th November 2022. The provision is calculated from the contractual rent maintenance and estimated dilapidations on exit of the related property and has been reduced during the year in line with actual expenditure incurred.

The closing provision of £131,525 represents the remaining net costs that the directors expect the company to incur in relation to the lease agreement. This excludes rental income from the sub-lease agreement that the company holds until November 2022

HCRG Care Private Ltd

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

6 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	35,000	72,000
Later than one year and not later than five years	-	42,000
	<u>35,000</u>	<u>114,000</u>

7 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

8 Parent and ultimate parent undertaking

The immediate parent company is HCRG Care Group Holdings Ltd (previously named Virgin Healthcare Holdings Limited), a company incorporated in the United Kingdom. The registered office is the Heath Business & Technical Park, Runcorn, Cheshire, WA7 4QX.

The ultimate parent companies are Twenty20 Capital Limited and IJMH Limited, both companies are incorporated in the United Kingdom.

The largest and smallest group in which the Company and group results are consolidated are those for Twenty20 Capital Investments Limited and HCRG Care Group Holdings Limited respectively, both companies are registered in England and Wales. Copies of the group accounts of Twenty20 Capital Investments Limited and HCRG Care Group Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the prior year, the ultimate parent company was Virgin Group Holdings Limited, a company incorporate in the British Virgin Islands. The largest and smallest group in which the Company and group results were consolidated was Virgin Holdings Limited and Virgin UK Holdings Limited respectively, companies both registered in England and Wales. Copies of these accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

HCRG Care Private Ltd

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

9 Transition to FRS 102

The Company was acquired by T20 Pioneer Holdings Limited on 30 November 2021, the parent company of T20 Pioneer Holdings Limited is Twenty20 Capital Investments Limited. The Company has elected to follow the same accounting standards as the other members of the 'Twenty20 Group' and therefore has transitioned to FRS 102.

The only impact on these financial statements and opening reserves is the reversal of leased assets capitalised under IFRS 16 Leases. The impact of this is shown in the following tables:

at 1 April 2020

	As originally reported £	Reclassification £	Remeasurement £	As restated £
	169,663	-	(169,663)	-
Current assets				
Debtors	385,295	-	-	385,295
Creditors: Amounts falling due within one year	<u>(2,874,753)</u>	<u>-</u>	<u>72,000</u>	<u>(2,802,753)</u>
Net current (liabilities)/assets	<u>(2,489,458)</u>	<u>-</u>	<u>72,000</u>	<u>(2,417,458)</u>
Total assets less current liabilities	(2,319,795)	-	(97,663)	(2,417,458)
Creditors: Amounts falling due after more than one year	<u>(264,250)</u>	<u>-</u>	<u>104,250</u>	<u>(160,000)</u>
Net (liabilities)/assets	<u>(2,584,045)</u>	<u>-</u>	<u>6,587</u>	<u>(2,577,458)</u>
Retained earnings	<u>2,584,045</u>	<u>-</u>	<u>(6,587)</u>	<u>2,577,458</u>
Total equity	<u>2,584,045</u>	<u>-</u>	<u>(6,587)</u>	<u>2,577,458</u>

HCRG Care Private Ltd

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

9 Transition to FRS 102 (continued)

at 31 March 2021

	As originally reported £	Reclassification £	Remeasurement £	As restated £
	103,987	-	(103,987)	-
Current assets				
Debtors	27,386	-	-	27,386
Cash at bank and in hand	27,630	-	-	27,630
	55,016	-	-	55,016
Creditors: Amounts falling due within one year	(2,622,039)	-	72,000	(2,550,039)
Net current (liabilities)/assets	(2,567,023)	-	72,000	(2,495,023)
Total assets less current liabilities	(2,463,036)	-	(31,987)	(2,495,023)
Creditors: Amounts falling due after more than one year	(38,215)	-	38,215	-
Provisions for liabilities	(131,525)	-	-	(131,525)
Net (liabilities)/assets	(2,632,776)	-	6,228	(2,626,548)
Retained earnings	2,632,776	-	(6,228)	2,626,548
Total equity	2,632,776	-	(6,228)	2,626,548

HCRG Care Private Ltd

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

9 Transition to FRS 102 (continued)

for the year ended 31 March 2021

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	80,648	-	-	80,648
Cost of sales	<u>(80,481)</u>	<u>-</u>	<u>-</u>	<u>(80,481)</u>
Gross profit	167	-	-	167
Administrative expenses	<u>(3,448)</u>	<u>-</u>	<u>(6,324)</u>	<u>(9,772)</u>
Operating loss	<u>(3,281)</u>	<u>-</u>	<u>(6,324)</u>	<u>(9,605)</u>
Interest payable and similar expenses	<u>(45,676)</u>	<u>-</u>	<u>5,964</u>	<u>(39,712)</u>
	<u>(45,676)</u>	<u>-</u>	<u>5,964</u>	<u>(39,712)</u>
Loss before tax	(48,957)	-	(360)	(49,317)
Taxation	<u>227</u>	<u>-</u>	<u>-</u>	<u>227</u>
Loss for the financial year	<u><u>(48,730)</u></u>	<u><u>-</u></u>	<u><u>(360)</u></u>	<u><u>(49,090)</u></u>