

Registered number: 03201165

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**HCRG CARE GROUP HOLDINGS LTD**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**HCRG CARE GROUP HOLDINGS LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	D J Deitz T20 Pioneer Holdings Limited I J Munro S Collier (appointed 22 May 2022) V M McVey (resigned 15 July 2022)
<b>Registered number</b>	03201165
<b>Registered office</b>	The Heath Business And Technical Park Runcorn Cheshire WA7 4QX
<b>Independent auditor</b>	MHA Century House The Lakes Northampton NN4 7HD

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**HCRG CARE GROUP HOLDINGS LTD**

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## HCRG CARE GROUP HOLDINGS LTD

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### GROUP 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

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 (HCSSL) which holds contracts with the NHS and local authorities and employs health and care professionals in order to undertake the provision of contracted services. The principal activity of the Company is to hold the investments and provide finance to its subsidiary companies and indirectly owned LLP investments.

#### Business review

During the year ended 31 March 2023, revenues for the HCRG Care Group grew in comparison to prior year, and primarily relate to the provision of public NHS and Local Authority services. Through continued efficiency initiatives such implementation of an e-Rostering solution, reduction in agency spend through effective recruitment of substantive roles, and efficiencies in back office costs, the Group made a pre-tax profit of £10.1m representing 3.7% of turnover (2022: £3.5m representing 1.4% of turnover).

During the year, HCRG Care Group continued to save its NHS and Local Authority commissioners approximately 10% (2022: 10%) through the transformations it has undertaken, and the efficiencies provided. This saving is based upon comparison to the costs of the services prior to procurement by the HCRG Care Group and expected costs in the absence of such a procurement, where costs would be subject to national prices.

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.

	2023	2022
Turnover (£k)	269,158	248,354
Operating Profit %	4%	1%
Services Rated CQC Good or Outstanding	97%	97%
Services Rated Good or Very Good by Users and Patients	94%	93%
Total Employees	4,920	4,651

2023 Operating Profit % = 10,143 / 269,158

2022 Operating Profit % = 3,451 / 248,354

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## HCRG CARE GROUP HOLDINGS LTD

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### GROUP 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 GROUP HOLDINGS LTD

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### GROUP 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 GROUP HOLDINGS LTD

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### GROUP 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.

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 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.

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 2,675 virtual classroom sessions were offered with 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 GROUP HOLDINGS LTD

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### GROUP 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.hcrccaregroup.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 GROUP HOLDINGS LTD

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### GROUP 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 plan our 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 GROUP HOLDINGS LTD

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### GROUP 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 GROUP HOLDINGS 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.

#### Results and dividends

The total comprehensive profit of the Group for the financial year, after taxation, amounted to £7,924,000 (2022 - £3,493,000).

The Group and Company do not recommend the payment of a dividend (2022: £Nil).

The total comprehensive profit of the Company for the financial year, after taxation, amounted to £62,000 (2022: loss of £1,777,000).

#### Directors

The directors who served during the year were:

D J Deitz  
T20 Pioneer Holdings Limited  
I J Munro  
S Collier (appointed 22 May 2022)  
V M McVey (resigned 15 July 2022)

#### Corporate Governance

The Group follows the Wates Corporate Governance Principles for large private companies and has applied these for the year ended 31 March 2023. The Group has also applied the Wates principles as an appropriate framework when making disclosures regarding corporate governance arrangements.

The full Wates Statement can be found on our website at [www.hrcrgcaregroup.com/legal-information](http://www.hrcrgcaregroup.com/legal-information).

Key examples of how we have applied these principles include:

#### Remuneration

The Company's Remuneration Committee considers the most appropriate means of attracting and retaining quality Executive Team members, who can support the delivery of our strategic aim.

The Remuneration Committee has clear terms of reference and its remit includes signing off and approval of targets for any performance-related pay schemes operated by the organisation. Alongside this, the Remuneration Committee provides independent governance of the remuneration of the Executive Team, and undertakes market analysis and benchmarking to deliver this effectively.

#### Stakeholder Relationships

Building and maintaining relationships with stakeholders is key to delivering our strategy and we ensure that stakeholder relationships are aligned to the company's purpose of changing lives by transforming health and care.

Over the past year we have worked closely with all of our stakeholders and you will see examples of the work we have carried out in our Section 172 statement, which can be found in the Strategic Report.

#### Opportunity and Risk

Annual critical projects are implemented to address short term opportunities to improve operational and financial performance and ensure delivery of transformation.

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### **Purpose and Leadership**

As an organisation we partner with the NHS and Local Authorities to change lives by transforming health and care. We don't have a one size fits all solution because every service we provide is designed around the needs of the local population.

Our values, thinking, caring and doing, reflect the way we work and are supported with a 'behaviours framework' setting out how colleagues across the organisation can bring our culture and values to life and deliver on our purpose every day

#### **Employment of disabled persons**

Under the Group's equal opportunities policy, the company ensures that all employees are treated equally do not discriminate on the grounds of disability, gender, marital status, race, ethnic origin, colour, nationality, national origin, sexual orientation, religion or age.

#### **Employee involvement**

The Group encourages employee involvement in its affairs. The Group produces a weekly electronic newsletter which keeps employees abreast of developments. Senior management within the 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 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 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 including apprenticeships and higher degree learning.

The Group annually runs the 'Difference Awards', which are peer nominated awards to recognise those staff who embody the core values of the business.

#### **Going Concern**

The directors have prepared the financial statements on the going concern basis for the reasons set out in note 2.3 to the financial statements.

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HCRG CARE GROUP HOLDINGS LTD

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

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**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 Twenty20 Capital Investments Limited.

Further details on engagement with suppliers, customers and others can be found in the Strategic Report.

**Directors' liabilities**

During the year, and at the date of signing this report, the Company maintained liability insurance and third party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company and any of its associated companies.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

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

**Auditor**

Following the rebranding exercise on 15 May 2023 the trading name of the Group's independent auditor changed from MHA MacIntyre Hudson to MHA. a resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting in accordance with section 485 of the Companies Act 2006.

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 GROUP HOLDINGS 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 Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the surplus or deficit of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## HCRG CARE GROUP HOLDINGS LTD

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCRG CARE GROUP HOLDINGS LTD

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#### Opinion

We have audited the financial statements of HCRG Care Group Holdings Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of 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 March 2023 and of the Group's 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's 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 United Kingdom, including the Financial Reporting Council'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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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's or the 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 directors with respect to going concern are described in the relevant sections of this report.



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## HCRG CARE GROUP HOLDINGS LTD

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCRG CARE GROUP HOLDINGS LTD (CONTINUED)

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#### 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 directors 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.

#### Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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## HCRG CARE GROUP HOLDINGS LTD

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCRG CARE GROUP HOLDINGS LTD (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 12, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's 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 Group 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:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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HCRG CARE GROUP HOLDINGS LTD

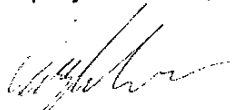
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCRG CARE GROUP HOLDINGS LTD  
(CONTINUED)

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**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.



Guy Hodgkinson BA ACA (Senior Statutory Auditor)

for and on behalf of  
**MHA**

Statutory Auditor  
Northampton, United Kingdom

14 DECEMBER 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**HCRG CARE GROUP HOLDINGS LTD**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Turnover	4	269,158	248,354
Cost of sales		(237,022)	(225,468)
<b>Gross profit</b>		<b>32,136</b>	<b>22,886</b>
Administrative expenses		(21,993)	(19,435)
<b>Operating profit</b>	5	<b>10,143</b>	<b>3,451</b>
Interest receivable and similar income	9	119	1
Interest payable and similar expenses	10	(51)	(1,502)
<b>Profit before taxation</b>		<b>10,211</b>	<b>1,950</b>
Tax on profit	11	(2,170)	1,608
<b>Profit for the financial year</b>		<b>8,041</b>	<b>3,558</b>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		117	65
Owners of the parent Company		7,924	3,493
		<b>8,041</b>	<b>3,558</b>

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

The notes on pages 25 to 49 form part of these financial statements.

**HCRG CARE GROUP HOLDINGS LTD**  
**REGISTERED NUMBER: 03201165**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	12	2,499	29
Tangible assets	13	3,156	3,360
		<u>5,655</u>	<u>3,389</u>
<b>Current assets</b>			
Stocks	14	405	286
Debtors: amounts falling due within one year	15	51,977	30,043
Cash at bank and in hand	16	3,823	14,280
		<u>56,205</u>	<u>44,609</u>
Creditors: amounts falling due within one year	17	(40,811)	(33,241)
<b>Net current assets</b>		<u>15,394</u>	<u>11,368</u>
<b>Total assets less current liabilities</b>		<u>21,049</u>	<u>14,757</u>
Creditors: amounts falling due after more than one year	18	(69)	(168)
<b>Provisions for liabilities</b>			
Other provisions	22	(6,437)	(8,087)
		<u>(6,437)</u>	<u>(8,087)</u>
<b>Net assets</b>		<u>14,543</u>	<u>6,502</u>
<b>Capital and reserves</b>			
Called up share capital	23	4	4
Share premium account	24	72,917	72,917
Capital redemption reserve	24	22,786	22,786
Profit and loss account	24	(81,347)	(89,271)
<b>Equity attributable to owners of the parent Company</b>		<u>14,360</u>	<u>6,436</u>
Non-controlling interests		183	66
<b>Total equity</b>		<u>14,543</u>	<u>6,502</u>

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HCRG CARE GROUP HOLDINGS LTD  
REGISTERED NUMBER: 03201165

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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2023

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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 25 to 49 form part of these financial statements.

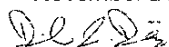
**HCRG CARE GROUP HOLDINGS LTD**  
**REGISTERED NUMBER: 03201165**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	41,523	9,044
Cash at bank and in hand	16	428	2,694
		<u>41,951</u>	<u>11,738</u>
Creditors: amounts falling due within one year	17	(38,151)	(8,000)
<b>Net current assets</b>		<u>3,800</u>	<u>3,738</u>
<b>Net assets</b>		<u>3,800</u>	<u>3,738</u>
<b>Capital and reserves</b>			
Called up share capital	23	4	4
Share premium account	24	72,917	72,917
Profit and loss account brought forward	24	(69,183)	(67,406)
Profit/(loss) for the year	24	62	(1,777)
Profit and loss account carried forward	24	(69,121)	(69,183)
<b>Total equity</b>		<u>3,800</u>	<u>3,738</u>

The company made a profit after tax for the financial year of £62,000 (2022 - loss of £1,777,000)

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 25 to 49 form part of these financial statements.

HCRG CARE GROUP HOLDINGS LTD

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

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 April 2021	4	72,917	22,786	(92,889)	2,818	126	2,944
Comprehensive income for the year							
Profit for the year	-	-	-	3,493	3,493	65	3,558
NCI profit in year	-	-	-	125	125	(125)	-
Total transactions with owners	-	-	-	125	125	(125)	-
At 1 April 2022	4	72,917	22,786	(89,271)	6,436	66	6,502
Comprehensive income for the year							
Profit for the year	-	-	-	7,924	7,924	-	7,924
NCI profit in year	-	-	-	-	-	117	117
At 31 March 2023	4	72,917	22,786	(81,347)	14,360	183	14,543

The notes on pages 25 to 49 form part of these financial statements.



HCRG CARE GROUP HOLDINGS LTD

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2021	4	72,917	(67,406)	5,515
Comprehensive income for the year				
Loss for the year	-	-	(1,777)	(1,777)
At 1 April 2022	4	72,917	(69,183)	3,738
Comprehensive income for the year				
Profit for the year	-	-	62	62
Total comprehensive income for the year	-	-	62	62
Total transactions with owners	-	-	-	-
At 31 March 2023	4	72,917	(69,121)	3,800

The notes on pages 25 to 49 form part of these financial statements.

**HCRG CARE GROUP HOLDINGS LTD**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £000	2022 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	8,041	3,558
<b>Adjustments for:</b>		
Amortisation of intangible assets	145	36
Depreciation of tangible assets	1,624	1,646
Interest paid	51	1,501
Interest received	(119)	(1)
Taxation charge	2,170	(1,608)
(Increase) in stocks	(119)	(23)
(Increase) in debtors	(23,572)	(665)
Increase in creditors	7,024	786
(Decrease)/increase in provisions	(1,650)	2,499
<b>Net cash generated from operating activities</b>	<b>(6,405)</b>	<b>7,729</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(2,615)	(29)
Purchase of tangible fixed assets	(1,420)	(1,999)
Interest received	119	1
<b>Net cash from investing activities</b>	<b>(3,916)</b>	<b>(2,027)</b>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	(84)	237
Interest paid	(51)	(1,501)
<b>Net cash used in financing activities</b>	<b>(135)</b>	<b>(1,264)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,456)</b>	<b>4,438</b>
Cash and cash equivalents at beginning of year	14,279	9,842
<b>Cash and cash equivalents at the end of year</b>	<b>3,823</b>	<b>14,280</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,823	14,280

The notes on pages 25 to 49 form part of these financial statements.

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**HCRG CARE GROUP HOLDINGS LTD**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2023**

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	At 1 April 2022 £000	Cash flows £000	Finance leases £000	Other non- cash changes £000	At 31 March 2023 £000
Cash at bank and in hand	14,280	(10,457)	-	-	3,823
Debt due within 1 year	-	-	-	(1,037)	(1,037)
Finance leases	(236)	-	85	-	(151)
	<u>14,044</u>	<u>(10,457)</u>	<u>85</u>	<u>(1,037)</u>	<u>2,635</u>

The notes on pages 25 to 49 form part of these financial statements.

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 1. General information

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 group consists of HCRG Care Group Holdings Ltd and its subsidiaries.

#### 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

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## HCRG CARE GROUP HOLDINGS 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)

##### 2.2 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2023.

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 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.

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. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

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## HCRG CARE GROUP HOLDINGS 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)

##### 2.3 Going concern

The Company is head company of the 'HCRG Care Group'. The Company's parent entity is T20 Pioneer Midco 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 Care 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.

The company is the parent entity of the HCRG Care Group and provides finance to the rest of the group, it is also 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 Midco Limited to continue to support the business as a going concern and consider this to be the case.

##### 2.4 Revenue

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.

##### 2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.6 Interest income

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

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## HCRG CARE GROUP HOLDINGS 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)

##### 2.7 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### 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 Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

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## HCRG CARE GROUP HOLDINGS 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 profit or loss except that a charge 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

##### 2.11 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

###### Other 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.

Software has an estimated economic life of five years. It is amortised to the profit and loss account over its estimated economic life on a straight-line basis.



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## HCRG CARE GROUP HOLDINGS 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

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.

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.

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight-line over 5 years (or life of lease)
Medical equipment	- Straight-line over 3 years
Motor vehicles	- Straight-line over 3 years
Computer equipment	- Straight-line over 3-4 years

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.

### 2.14 Stocks

Stock is stated at the lower of cost and net realisable value.

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### 2.15 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.

### 2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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## HCRG CARE GROUP HOLDINGS 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)

##### 2.17 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.

##### 2.18 Holiday pay accrual

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

##### 2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

##### 2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income

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## HCRG CARE GROUP HOLDINGS 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)

### 2.20 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.21 Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. 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 based on the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### 2.22 Provisions

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

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## HCRG CARE GROUP HOLDINGS 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)

##### 2.23 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.

##### 2.24 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.

##### 2.25 Defined contribution pension scheme

The Group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and has no further payment obligations.

The contributions are recognised as an expense in profit or loss in the period as employees provide service. Amounts due but unpaid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 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 judgments, 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 amount of assets and liabilities are as follows.

##### Bad debt provision

Management review the aged debtors listing for any slow moving debts. If it is deemed probable that they will not be able to recover the debt a provision is made in the financial statements.

##### Deferred tax asset

The group recognises a deferred tax asset to the extent that it is probable that future taxable profit will be available against which unused tax losses can be utilised. Following a period of reconstruction, the Group considers that future taxable profits can now be estimated more reliably and is therefore recognising the asset.

#### 4. Turnover

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

	2023 £000	2022 £000
Rendering of services	269,158	248,354

All turnover arose within the United Kingdom.

#### 5. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Depreciation expense	1,624	1,648
Amortisation expense	145	36
Operating lease expense - property	7,415	8,085
Operating lease expense - plant and machinery	141	198
Operating lease expense - other	127	285

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2023 £000	2022 £000
Fees payable to the Company's auditor and its associates for the audit of the consolidated and parent Company's financial statements	50	56
Fees payable to the Company's auditor and its associates in respect of:		
The auditing of accounts of associates of the Company	48	74

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

#### 7. Employees

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

	Group 2023 £000	Group 2022 £000
Wages and salaries	138,924	128,547
Social security costs	14,012	12,607
Cost of defined contribution scheme	15,568	16,121
	<u>168,504</u>	<u>157,275</u>

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

	2023 No.	2022 No.
Registered	2,661	2,447
Non-registered	2,259	2,204
	<u>4,920</u>	<u>4,651</u>

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL)

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HCRG CARE GROUP HOLDINGS LTD

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

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8. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	587	1,134
Group contributions to defined contribution pension schemes	10	20
	<u>597</u>	<u>1,154</u>

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

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

The only key management personnel are considered to be the directors, who's remuneration is disclosed above.

9. Interest receivable

	2023 £000	2022 £000
Interest receivable from group companies	88	-
Interest income on bank deposit	31	1
	<u>119</u>	<u>1</u>

10. Interest payable and similar expenses

	2023 £000	2022 £000
Other loan interest payable	51	-
Interest payable from group undertaking	-	1,502
	<u>51</u>	<u>1,502</u>

HCRG CARE GROUP HOLDINGS LTD

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

11. Taxation

	2023 £000	2022 £000
<b>Corporation tax</b>		
Current tax on profits for the year	531	2,286
<b>Total current tax</b>	<u>531</u>	<u>2,286</u>
<b>Deferred tax</b>		
Current year	1,686	(2,958)
Prior year	(47)	-
Changed in deferred tax rate	-	(936)
<b>Total deferred tax</b>	<u>1,639</u>	<u>(3,894)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>2,170</u>	<u>(1,608)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	<u>10,323</u>	<u>1,950</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,961	371
<b>Effects of:</b>		
Fixed asset differences	(57)	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(173)	217
Prior year adjustment - current tax	-	2,286
Prior year adjustment - deferred tax	(47)	-
Tax rate changes	385	(793)
Deferred tax not recognised	101	(136)
Deferred tax recognised	-	(3,553)
<b>Total tax charge for the year</b>	<u>2,170</u>	<u>(1,608)</u>



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**HCRG CARE GROUP HOLDINGS LTD**

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

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**11. Taxation (continued)**

**Factors that may affect future tax charges**

On 3 March 2021, the chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at 30 June 2022. As such, the deferred tax rate applicable at 30 June 2022 is 25% and deferred tax has been re-measured at this rate.

**12. Intangible assets**

**Group and Company**

	Internally generated software development costs £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 April 2022	6,849	102	6,951
Additions	190	2,425	2,615
At 31 March 2023	<u>7,039</u>	<u>2,527</u>	<u>9,566</u>
<b>Amortisation</b>			
At 1 April 2022	6,820	102	6,922
Charge for the year on owned assets	24	121	145
At 31 March 2023	<u>6,844</u>	<u>223</u>	<u>7,067</u>
<b>Net book value</b>			
At 31 March 2023	<u>195</u>	<u>2,304</u>	<u>2,499</u>
At 31 March 2022	<u>29</u>	<u>-</u>	<u>29</u>

The goodwill addition was created following a business combination in the year, further details are included in note 25

HCRG CARE GROUP HOLDINGS LTD

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

13. Tangible fixed assets

Group

	Land and buildings £000	Medical equipment £000	Motor vehicles £000	Office equipment and fixtures and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2022	1,524	1,125	35	8,733	11,417
Additions	92	66	-	1,262	1,420
At 31 March 2023	1,616	1,191	35	9,995	12,837
<b>Depreciation</b>					
At 1 April 2022	1,208	798	30	6,021	8,057
Charge for the year on owned assets	110	150	3	1,361	1,624
At 31 March 2023	1,318	948	33	7,382	9,681
<b>Net book value</b>					
At 31 March 2023	298	243	2	2,613	3,156
At 31 March 2022	316	327	5	2,712	3,360

14. Stocks

	Group 2023 £000	Group 2022 £000
Raw materials and consumables	405	286

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**HCRG CARE GROUP HOLDINGS LTD**

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

**15. Debtors**

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade debtors	6,542	7,522	-	-
Amounts owed by group undertakings	-	-	34,565	9,005
Other debtors	28,416	6,179	6,945	-
Prepayments and accrued income	9,762	9,484	-	-
Tax recoverable	8	-	-	-
Deferred taxation	5,220	6,858	13	39
Invoice discounting facility	2,029	-	-	-
	<u>51,977</u>	<u>30,043</u>	<u>41,523</u>	<u>9,044</u>

**16. Cash and cash equivalents**

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank and in hand	3,823	14,280	428	2,694

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Other loans	1,037	-	-	-
Trade creditors	7,397	7,867	-	-
Amounts owed to group undertakings	-	-	38,151	8,000
Corporation tax	531	-	-	-
Other taxation and social security	4,184	3,407	-	-
Obligations under finance lease and hire purchase contracts	83	83	-	-
Other creditors	2,102	2,226	-	-
Accruals and deferred income	25,477	19,658	-	-
	<u>40,811</u>	<u>33,241</u>	<u>38,151</u>	<u>8,000</u>

There is a cross company guarantee in place for the Company in relation to the invoice discounting facility held by HCRG Workforce Solutions Limited. The Company and HCRG Workforce Solutions Limited have the same immediate parent company, T20 Pioneer MidCo Ltd. The total liability as at 31 March 2023 in respect of this facility was £6,768,291.

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HCRG CARE GROUP HOLDINGS LTD

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

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

	Group 2023 £000	Group 2022 £000
Loans and borrowings	69	153
Other non current financial liabilities	-	15
	<u>69</u>	<u>168</u>

**19. Loans**

	Group 2023 £000	Group 2022 £000
<b>Amounts falling due within one year</b>		
Invoice discounting facility	<u>1,037</u>	<u>-</u>

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £000	Group 2022 £000
Within one year	83	83
Between 1-5 years	69	153
	<u>152</u>	<u>236</u>

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**HCRG CARE GROUP HOLDINGS LTD**

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

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**21. Deferred taxation**

**Group**

	<b>2023 £000</b>	<b>2022 £000</b>
At beginning of year	<b>6,858</b>	2,964
Charged to profit or loss	<b>(1,639)</b>	3,894
<b>At end of year</b>	<b>5,219</b>	<b>6,858</b>

**Company**

	<b>2023 £000</b>	<b>2022 £000</b>
At beginning of year	<b>39</b>	-
Charged to profit or loss	<b>(26)</b>	39
<b>At end of year</b>	<b>13</b>	<b>39</b>

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Accelerated capital allowances	<b>1,226</b>	1,674	-	-
Tax losses carried forward	<b>3,522</b>	4,922	<b>13</b>	39
Short term timing differences	<b>472</b>	262	-	-
	<b>5,220</b>	<b>6,858</b>	<b>13</b>	<b>39</b>

**HCRG CARE GROUP HOLDINGS LTD**

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

**22. Provisions**

**Group**

	Insurance provision £000	Property dilapidations £000	Total £000
At 1 April 2022	6,677	1,410	8,087
Utilised in year	1,348	149	1,497
Released in year	(3,352)	(178)	(3,530)
Other movements	302	81	383
<b>At 31 March 2023</b>	<b>4,975</b>	<b>1,462</b>	<b>6,437</b>

**Insurance provision**

The insurance provision covers the estimated total gross exposure from potential claims. The insured sum against these claims is £4,517,000 (2022: £5,896,000) and is included in other debtors. 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.

**Property dilapidations provision**

The dilapidations provision relates to the company's 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 cost.

**23. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
351,011 (2022 - 351,011) A Ordinary shares of £0.01 each	3,510	3,510
2,491 (2022 - 2,491) B Ordinary shares of £0.01 each	25	25
294 (2022 - 294) C Ordinary shares of £0.01 each	3	3
147 (2022 - 147) D Ordinary shares of £0.01 each	1	1
	<b>3,539</b>	<b>3,539</b>

All Ordinary shares have attached to them full voting, dividend and capital distribution (including on wind up) rights. They do not confer any rights of redemption.

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**HCRG CARE GROUP HOLDINGS LTD**

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

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**24. Reserves**

**Share premium account**

The share premium of £72,917,327 (2022: £72,917,327) represents the amount subscribed for ordinary share capital in excess of the nominal value and is net of expenses.

**Capital redemption reserve**

The capital contribution reserves arose when the Group was sold by Virgin Holdings Limited on 30 November 2021. The Group had intercompany loans with Virgin Holdings Limited which were all waived. The fair value of the loans was converted to share capital, with the remaining converted to a capital contribution reserve.

**Profit and loss account**

Retained earnings represents accumulated profit or loss for the year and prior periods, less dividends paid.

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**HCRG CARE GROUP HOLDINGS LTD**

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

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**25. Business combinations**

On 26 September 2022, the Group acquired the entirety of the equity instruments of HCRG Medical Services Ltd and CRG Medical Services Ltd which provide forensic medical staffing solutions within the UK. The acquisition was accounted for using the purchase method.

**Acquisition of HCRG Medical Services Ltd and CRG Medical Services Ltd**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £000	Fair value adjustments £000	Fair value £000
<b>Fixed Assets</b>			
Tangible	24	-	24
Goodwill	1,392	-	1,392
	<u>1,416</u>	<u>-</u>	<u>1,416</u>
<b>Current Assets</b>			
Stocks	66	-	66
Debtors	2,995	-	2,995
Cash at bank and in hand	436	-	436
<b>Total Assets</b>	<u>4,913</u>	<u>-</u>	<u>4,913</u>
<b>Creditors</b>			
Due within one year	(5,881)	-	(5,881)
<b>Total identifiable net liabilities</b>	<u>(968)</u>	<u>-</u>	<u>(968)</u>
Goodwill			<u>1,033</u>
<b>Total purchase consideration</b>			<u>65</u>
<b>Consideration</b>			
			£000
Cash			<u>65</u>



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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 25. Business combinations (continued)

The goodwill arising on acquisition is attributable to know how and customer relationships.

The useful life is 10 years.

The results of HCRG Medical Services Ltd and CRG Medical Services Ltd since acquisition are as follows:

	Current period since acquisition £000
Turnover	8,386
(Loss) for the period since acquisition	(1,109)

#### 26. Pension commitments

##### 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 £15,552,000 (2022 - £16,121,000).

The assets of the scheme are held separately from those of the Company in an independently administered fund.

#### 27. Commitments under operating leases

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

	Group 2023 £000	Group 2022 £000
Not later than 1 year	6,877	6,214
Later than 1 year and not later than 5 years	4,704	4,962
	<u>11,581</u>	<u>11,176</u>

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 28. Controlling party

The immediate parent company is T20 Pioneer Midco Limited and the ultimate controlling party is Twenty20 Capital Investments Limited. Both companies are incorporated in the United Kingdom and their 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.

#### 29. Subsidiary audit exemption

Under section 479A of the Companies Act 2006 the Group is claiming exemption from audit for the subsidiary companies listed below.

Company Name	Company number
HCRG Care Ltd	05466033
HCRG Care Services Ltd	07557877
HCRG Care Custodial Services Ltd	14300284
CMB Healthcare Holdings Ltd	13464075
HCRG Medical Services Ltd	12688975
CRG Medical Services Ltd	10702093
HCRG Care Private Ltd	10796658
HCRG Care Community Services Ltd	07568015
HCRG Care Coventry LLP	OC338351
HCRG East Riding LLP	OC322010
HCRG Care Vertis LLP	OC326636
HCRG Care Reading LLP	OC336595
Peninsula Health LLP	OC327017

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 30. Subsidiary undertakings

##### Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
HCRG Care Ltd	The Heath and Technical Park *	Ordinary	100%
HCRG Care Private Ltd	The Heath and Technical Park *	Ordinary	100%

##### Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
HCRG Care Provider Services Ltd	The Heath and Technical Park *	Ordinary	100%
HCRG Care Services Ltd	The Heath and Technical Park *	Ordinary	100%
HCRG Care Community Services Ltd	The Heath and Technical Park *	Ordinary	100%
HCRG Custodial Services Ltd	The Heath and Technical Park *	Ordinary	100%
HCRG Care Coventry LLP	The Heath and Technical Park *	Ordinary	100%
HCRG Care East Riding LLP	The Heath and Technical Park *	N/A	100%
HCRG Care Vertis LLP	The Heath and Technical Park *	N/A	100%
HCRG Care Reading LLP	The Heath and Technical Park *	N/A	100%
CMB Healthcare Holdings Ltd	The Heath and Technical Park *	Ordinary	90%
HCRG Medical Services Ltd	The Heath and Technical Park *	Ordinary	90%
CRG Medical Services Ltd	The Heath and Technical Park *	Ordinary	90%
Peninsula Health LLP	The Heath and Technical Park *	N/A	50%

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## HCRG CARE GROUP HOLDINGS LTD

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

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#### 30. Subsidiary undertakings (continued)

##### Indirect subsidiary undertakings (continued)

\*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%.

HCRG Care Limited and HCRG Care Private Ltd are direct subsidiaries. All other subsidiaries and the joint venture are indirect subsidiaries.

On 26 September 2022, the Company acquired 90% of the ordinary shares of CMB Healthcare Holdings Ltd which included HCRG Medical Services Ltd and CRG Medical Services Ltd as wholly owned subsidiaries. CMB Healthcare Holdings Ltd is a private company and does not have published share price quotations.