

PRIORITY CARE GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

PRIORITY CARE GROUP LIMITED

COMPANY INFORMATION

Directors	Mr A J Prior Mrs V Gibson Mr H Locherty
Registered number	SC188546
Registered office	Priority House 23 Roseangle Dundee DD1 4LS
Independent auditors	EQ Accountants LLP Chartered Accountants & Statutory Auditors 14 City Quay Dundee DD1 3JA
Bankers	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2AD

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Introduction

The directors present their strategic report and the audited financial statements for the year ended 30 June 2021.

Business review

The financial year has been another positive one reflected by improved Group operating profits. The directors continue to work to ensure the control and management of the Group remains focused, and the Board are confident the Group will continue to progress.

As always, the care sector remains an extremely sensitive market, with fee levels in particular remaining challenging, whilst at the same time costs continue to rise and staffing proving increasingly exigent. The Group is well established and constantly adapting to embrace the changing environments, we continue to offer competitive wages rates for all levels of staffing, with this assisting with improvements in staff retention and recruitment, as well as working towards reducing utilisation of agency staff.

The Group's policy of investment in property and facilities and maintaining high quality care, augmented by our staff continuing to prove to be hard working and diligent, sustains the enhancement of the Group's position. Moving forward, we intend to maintain and build on our standards of quality and further strengthen and grow the Group, with investment in facilities the key component in this.

The global spread of the COVID-19 virus has impacted our sector significantly from March 2020. At all times the priority of the Group has been the health and wellbeing of its residents and staff and, with strict adherence to regulations and guidance, the Group has continually adapted its operations to ensure this.

Principal risks and uncertainties

The main risks associated with the Group's financial assets and liabilities are set out below:-

The Group is financed by bank borrowing and therefore there is exposure to interest rate fluctuations and liquidity risk. The group aims to mitigate liquidity risk by managing cash generated by its operations.

Credit risk is managed by invoicing in advance whenever possible to private residents and ensuring that all sales invoices are raised timeously. Appropriate credit control procedures are followed for all operations. Credit risk is also reduced by being in the advantageous position of having a significant level of income generated through local government.

The COVID-19 pandemic has highlighted and heightened the risks present in the care environment. The Group has always had a Risk Management Plan in place, for example to deal with a flu pandemic, and this has been largely modified with the input of regulatory and governing advice and guidance. The directors and home managers have updated policies and procedures to ensure the risks associated with the virus are mitigated.

Additional measures actioned by the Group for the protection of residents and staff has included the closure of homes to all non-essential visits, repeated COVID-19 testing, air filter system installation and regular specialist infection control treatments.

PRIORITY CARE GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Financial key performance indicators

The Group use a number of key performance indicators (KPI's) to manage its daily operations and management review. These include, but are not limited to, the KPI's detailed below:

	2021	2020
	£	£
Turnover	9,384,407	9,103,004
Operating profit	1,590,226	1,685,940
Profit before tax	1,444,166	1,515,269
Net assets	13,288,743	12,625,216

This report was approved by the board on 25 March 2022 and signed on its behalf.

Mr H Locherty
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their report and the financial statements for the year ended 30 June 2021.

Directors' responsibilities statement

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 profit or loss 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;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,101,450 (2020 - £1,123,412).

Dividends totalling £438,000 (2020 - £282,000) were paid to shareholders during the year. There is no final dividend declared.

Directors

The directors who served during the year were:

Mr A J Prior
Mrs V Gibson
Mr H Locherty

Environmental matters

The Group recognises the importance of its environmental responsibilities and monitors its impact on the environment by implementing any policies necessary to reduce any damage that might be caused by the Group's activities. Consultants are employed when looking at new facilities to try and ensure they are as environmentally friendly as possible.

Future developments

Moving forward, we intend to maintain and build on our standards of quality and further strengthen and grow the Group, with investment in facilities the key component in this.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Company's policy for payment of creditors

It is the Group's policy that all payments to suppliers are made in accordance with our standard payment terms.

Health & Safety

The Group recognises the importance and implications of the Health & Safety at Work Act 1974, the Environmental Protection Legislation and all new Health & Safety legislation, including that being introduced through EU directives.

Employees

The Group places strong emphasis in ensuring the well being of our employees and look to share and communicate information to our staff using all possible means.

Details of employees and related costs can be found in note 8 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned related to the position in question. In the event of any member of staff becoming disabled, every effort is made to ensure their employment within the Group continues.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, EQ Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 March 2022 and signed on its behalf.

Mrs V Gibson
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIORITY CARE GROUP LIMITED

Opinion

We have audited the financial statements of Priority Care Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, 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 30 June 2021 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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIORITY CARE GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIORITY CARE GROUP LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

Auditors' 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 Auditors' 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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIORITY CARE GROUP LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Douglas Rae (Senior statutory auditor)

for and on behalf of

EQ Accountants LLP

Chartered Accountants

Statutory Auditors

14 City Quay

Dundee

DD1 3JA

28 March 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

		2021	2020
		£	£
Turnover	4	9,384,407	9,103,004
Gross profit		9,384,407	9,103,004
Administrative expenses		(7,823,365)	(7,459,795)
Other operating income	5	29,184	42,731
Operating profit	6	1,590,226	1,685,940
Interest receivable and similar income		36	40
Interest payable and similar expenses	10	(146,096)	(170,711)
Profit before taxation		1,444,166	1,515,269
Tax on profit	11	(342,716)	(391,857)
Profit for the financial year		1,101,450	1,123,412
Deferred tax on revaluation of properties		77	(147,091)
Other comprehensive income for the year		77	(147,091)
Total comprehensive income for the year		1,101,527	976,321
Profit for the year attributable to:			
Owners of the parent Company		1,101,450	1,123,412
		1,101,450	1,123,412

The notes on pages 15 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		2021 £	2020 £
Fixed assets			
Tangible assets	15	19,516,613	19,944,168
		<u>19,516,613</u>	<u>19,944,168</u>
Current assets			
Stocks	17	3,550	5,157
Debtors: amounts falling due within one year	18	1,753,018	1,552,535
Cash at bank and in hand	19	1,289,887	1,335,686
		<u>3,046,455</u>	<u>2,893,378</u>
Creditors: amounts falling due within one year	20	(3,774,484)	(6,262,243)
Net current liabilities		<u>(728,029)</u>	<u>(3,368,865)</u>
Total assets less current liabilities		<u>18,788,584</u>	<u>16,575,303</u>
Creditors: amounts falling due after more than one year	21	(4,042,844)	(2,496,344)
Provisions for liabilities			
Deferred taxation	24	(1,456,997)	(1,453,743)
		<u>(1,456,997)</u>	<u>(1,453,743)</u>
Net assets excluding pension asset		<u>13,288,743</u>	<u>12,625,216</u>
Net assets		<u>13,288,743</u>	<u>12,625,216</u>
Capital and reserves			
Called up share capital	25	75	75
Revaluation reserve	26	9,263,927	9,469,217
Capital redemption reserve	26	275,677	275,677
Profit and loss account	26	3,749,064	2,880,247
Equity attributable to owners of the parent Company		<u>13,288,743</u>	<u>12,625,216</u>
		<u>13,288,743</u>	<u>12,625,216</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 March 2022.

Mr A J Prior
Director

The notes on pages 15 to 36 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		2021 £	2020 £
Fixed assets			
Tangible assets	15	6,648,555	6,794,427
Investments	16	10,245	10,245
		<u>6,658,800</u>	<u>6,804,672</u>
Current assets			
Debtors: amounts falling due within one year	18	2,228,924	3,342,652
Cash at bank and in hand	19	981,899	1,005,991
		<u>3,210,823</u>	<u>4,348,643</u>
Creditors: amounts falling due within one year	20	(2,772,847)	(5,372,608)
Net current assets/(liabilities)		<u>437,976</u>	<u>(1,023,965)</u>
Total assets less current liabilities		<u>7,096,776</u>	<u>5,780,707</u>
Creditors: amounts falling due after more than one year	21	(4,042,844)	(2,496,344)
Provisions for liabilities			
Deferred tax		(589,416)	(591,005)
		<u>(589,416)</u>	<u>(591,005)</u>
Net assets excluding pension asset		<u>2,464,516</u>	<u>2,693,358</u>
Net assets		<u>2,464,516</u>	<u>2,693,358</u>
Capital and reserves			
Called up share capital	25	75	75
Revaluation reserve	26	1,858,618	1,915,245
Capital redemption reserve	26	75	75
Profit and loss account	26	605,748	777,963
		<u>2,464,516</u>	<u>2,693,358</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 March 2022.

Mr A J Prior
Director

The notes on pages 15 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2019	75	275,677	9,805,229	1,849,914	11,930,895
Comprehensive income for the year					
Profit for the year	-	-	-	1,123,412	1,123,412
Deferred tax on revaluation	-	-	(147,091)	-	(147,091)
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(282,000)	(282,000)
Transfer to/from profit and loss account	-	-	(188,921)	188,921	-
At 1 July 2020	75	275,677	9,469,217	2,880,247	12,625,216
Comprehensive income for the year					
Profit for the year	-	-	-	1,101,450	1,101,450
Deferred tax on revaluation	-	-	77	-	77
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(438,000)	(438,000)
Transfer to/from profit and loss account	-	-	(205,367)	205,367	-
At 30 June 2021	75	275,677	9,263,927	3,749,064	13,288,743

The notes on pages 15 to 36 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2019	75	75	2,029,021	577,513	2,606,684
Comprehensive income for the year					
Profit for the year	-	-	-	429,757	429,757
Deferred tax on revaluation	-	-	(61,083)	-	(61,083)
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(282,000)	(282,000)
Transfer to/from profit and loss account	-	-	(52,693)	52,693	-
At 1 July 2020	75	75	1,915,245	777,963	2,693,358
Comprehensive income for the year					
Profit for the year	-	-	-	209,158	209,158
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(438,000)	(438,000)
Transfer to/from profit and loss account	-	-	(56,627)	56,627	-
At 30 June 2021	75	75	1,858,618	605,748	2,464,516

The notes on pages 15 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,101,450	1,123,412
Adjustments for:		
Depreciation of tangible assets	557,948	559,240
Loss on disposal of tangible assets	(483)	-
Government grants	(25,268)	(40,303)
Interest paid	146,096	170,711
Interest received	(36)	(40)
Taxation charge	342,716	391,857
Decrease in stocks	1,607	-
(Increase) in debtors	(200,483)	(355,775)
Increase in creditors	240,142	28,095
Corporation tax (paid)	(567,692)	(234,351)
Net cash generated from operating activities	1,595,997	1,642,846
Cash flows from investing activities		
Purchase of tangible fixed assets	(135,410)	(149,887)
Sale of tangible fixed assets	5,500	-
Government grants received	25,268	40,303
Interest received	36	40
Net cash from investing activities	(104,606)	(109,544)
Cash flows from financing activities		
Repayment of loans	(953,094)	(442,947)
Dividends paid	(438,000)	(282,000)
Interest paid	(146,096)	(170,711)
Net cash used in financing activities	(1,537,190)	(895,658)
Net (decrease)/increase in cash and cash equivalents	(45,799)	637,644
Cash and cash equivalents at beginning of year	1,335,686	698,042
Cash and cash equivalents at the end of year	1,289,887	1,335,686
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,289,887	1,335,686
	1,289,887	1,335,686

The notes on pages 15 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. General information

Priority Care Group Limited is a private company, limited by shares, domiciled in Scotland with registration number SC188546. The registered office is 23 Roseangle, Dundee, DD1 4LS.

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:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover comprises revenue generated from the provision of care services.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

During the year the business was in receipt of the following revenue grants in relation to the COVID-19 pandemic:

Coronavirus Job Retention Scheme (CJRS) which is recognised when receivable.

2.6 Interest income

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

2.7 Finance costs

Finance costs are charged to profit or loss 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.

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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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 reporting 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 reporting 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 reporting date.

2.11 Intangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	15-33% straight line

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 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.15 Stocks

Stock consists of consumable items utilised within the care homes and are valued at the lower of cost and net realisable value.

2.16 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.

2.17 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.

2.18 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.

2.19 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 reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

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.

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In the process of applying the Company's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements

Depreciation

The directors review the depreciation and amortisation policy regularly to determine whether the rates and method are reasonable for each category of asset. If the net book value of these assets were considered to change significantly, a change in the depreciation policy may be required.

Property valuation

The properties are revalued on a regular basis by qualified Chartered Surveyors and the directors use their knowledge of the sector to review the valuation of their properties at each year end.

4. Turnover

The whole of the turnover is attributable to the provision of residential care for the elderly and adults with learning difficulties.

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

5. Other operating income

	2021 £	2020 £
Other operating income	2,100	-
Government grants receivable	25,268	40,303
Sundry income	1,816	2,428
	<u>29,184</u>	<u>42,731</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Other operating lease rentals	<u>12,398</u>	<u>14,234</u>

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>13,791</u>	<u>13,080</u>

Fees payable to the Group's auditor and its associates in respect of:

All other services	<u>23,670</u>	<u>14,687</u>
	<u>23,670</u>	<u>14,687</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

8. Employees

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

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	5,095,066	4,954,891	7,492	6,229
Social security costs	371,861	338,331	-	-
Cost of defined contribution scheme	87,277	81,624	-	-
	<u>5,554,204</u>	<u>5,374,846</u>	<u>7,492</u>	<u>6,229</u>

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

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Directors	3	3	3	3
Employees	271	266	-	-
	<u>274</u>	<u>269</u>	<u>3</u>	<u>3</u>

9. Directors' remuneration

	2021 £	<i>2020 £</i>
Directors' emoluments	7,492	6,229
	<u>7,492</u>	<u>6,229</u>

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £107,838 (2020 - £83,860).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £981 (2020 - £4,857).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	145,580	170,471
Other loan interest payable	115	-
Other interest payable	401	240
	<u>146,096</u>	<u>170,711</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	344,257	375,903
Adjustments in respect of previous periods	(4,872)	14,745
	<u>339,385</u>	<u>390,648</u>
Total current tax	<u>339,385</u>	<u>390,648</u>
Deferred tax		
Origination and reversal of timing differences	3,331	1,209
Total deferred tax	<u>3,331</u>	<u>1,209</u>
Taxation on profit on ordinary activities	<u>342,716</u>	<u>391,857</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,444,166</u>	<u>1,515,269</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	274,392	287,901
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	432	22,285
Capital allowances for year in excess of depreciation	69,433	69,884
Utilisation of tax losses	-	(4,167)
Adjustments to tax charge in respect of prior periods	(4,872)	14,745
Short term timing difference leading to an increase (decrease) in taxation	3,331	1,209
Total tax charge for the year	<u><u>342,716</u></u>	<u><u>391,857</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2021 £	2020 £
Ordinary shares	<u>438,000</u>	282,000
	<u><u>438,000</u></u>	<u><u>282,000</u></u>

13. Government Grants

Included within other operating income is a revenue grant relating to the following Government scheme:

	2021 £	2020 £
Coronavirus Job Retention Scheme	<u>25,268</u>	40,303
	<u><u>25,268</u></u>	<u><u>40,303</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

14. Intangible assets

Group and Company

	Development £	Goodwill £	Total £
Cost			
At 1 July 2020	117,260	192,000	309,260
At 30 June 2021	117,260	192,000	309,260
Amortisation			
At 1 July 2020	117,260	192,000	309,260
At 30 June 2021	117,260	192,000	309,260
Net book value			
At 30 June 2021	-	-	-
At 30 June 2020	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

15. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 July 2020	19,984,570	131,739	1,914,966	22,031,275
Additions	6,801	39,468	89,141	135,410
Disposals	-	(10,035)	-	(10,035)
At 30 June 2021	<u>19,991,371</u>	<u>161,172</u>	<u>2,004,107</u>	<u>22,156,650</u>
Depreciation				
At 1 July 2020	417,851	77,610	1,591,646	2,087,107
Charge for the year on owned assets	425,700	13,102	119,146	557,948
Disposals	-	(5,018)	-	(5,018)
At 30 June 2021	<u>843,551</u>	<u>85,694</u>	<u>1,710,792</u>	<u>2,640,037</u>
Net book value				
At 30 June 2021	<u>19,147,820</u>	<u>75,478</u>	<u>293,315</u>	<u>19,516,613</u>
At 30 June 2020	<u>19,566,719</u>	<u>54,129</u>	<u>323,320</u>	<u>19,944,168</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Cost or Valuation at 30 June 2021 is as follows:

	Freehold property £
At Cost	10,362,082
At Valuation	
Valuation 2008	6,144,442
Impairment 2009	(47,276)
Valuation 2010	335,387
Impairment 2014	(290,586)
Valuation 2017	728,965
Valuation 2019	2,758,357
	<u>9,629,289</u>
	<u><u>19,991,371</u></u>

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	<i>2020 £</i>
Group		
Cost	10,362,082	10,355,281
Accumulated depreciation	(1,758,792)	(1,551,551)
Net book value	<u><u>8,603,290</u></u>	<u><u>8,803,730</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

15. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 July 2020	6,875,514	92,131	6,967,645
Additions	-	6,420	6,420
At 30 June 2021	6,875,514	98,551	6,974,065
Depreciation			
At 1 July 2020	137,510	35,708	173,218
Charge for the year on owned assets	137,510	14,782	152,292
At 30 June 2021	275,020	50,490	325,510
Net book value			
At 30 June 2021	6,600,494	48,061	6,648,555
At 30 June 2020	6,738,004	56,423	6,794,427

Cost or valuation at 30 June 2021 is as follows:

	Freehold property £
At cost	2,669,484
At valuation	
Valuation 2008	2,993,539
Impairment 2009	(99,482)
Valuation 2014	172,058
Valuation 2019	1,139,915
	<u>6,875,514</u>

The freehold property was revalued in June 2019 by Jones, Lang Lasalle, Chartered Surveyors on an open market existing use basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2020	10,245
At 30 June 2021	<u>10,245</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Priority Care Limited	Residential care services	Ordinary	100 %
Priority Care Nursing Limited	Residential care services	Ordinary	100 %
Priority Care (Northern) Limited	Residential care services	Ordinary	100 %
Priority Care Training Limited	Training services	Ordinary	100 %
Priority Care (Tayside) Limited	Residential care services	Ordinary	100 %

17. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	3,550	5,157
	<u>3,550</u>	<u>5,157</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

18. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade debtors	659,734	633,195	-	-
Amounts owed by group undertakings	-	-	1,319,525	2,896,034
Other debtors	960,370	736,514	869,809	446,351
Prepayments and accrued income	132,914	182,826	39,590	267
	<u>1,753,018</u>	<u>1,552,535</u>	<u>2,228,924</u>	<u>3,342,652</u>

19. Cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Cash at bank and in hand	1,289,887	1,335,686	981,899	1,005,991
	<u>1,289,887</u>	<u>1,335,686</u>	<u>981,899</u>	<u>1,005,991</u>

20. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	2,758,582	5,258,176	2,758,582	5,258,176
Payments received on account	70,375	68,693	-	-
Trade creditors	289,329	91,748	-	-
Corporation tax	178,966	407,273	9,065	109,482
Other taxation and social security	131,635	131,129	-	-
Other creditors	93,248	49,481	-	-
Accruals and deferred income	252,349	255,743	5,200	4,950
	<u>3,774,484</u>	<u>6,262,243</u>	<u>2,772,847</u>	<u>5,372,608</u>

Bank loans and overdrafts are secured by a standard security over the group properties and by a bond and floating charge over all of the company assets. An intercompany guarantee is held over the assets of all the companies of Priority Care Group Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

21. Creditors: Amounts falling due after more than one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loans	4,042,844	2,496,344	4,042,844	2,496,344
	<u>4,042,844</u>	<u>2,496,344</u>	<u>4,042,844</u>	<u>2,496,344</u>

Bank loans are secured by a standard security over the group properties and by a bond and floating charge over all of the company assets. An intercompany guarantee is held over the assets of all the companies of Priority Care Group Limited.

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

22. Loans

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts falling due within one year				
Bank loans	2,758,582	5,258,176	2,758,582	5,258,176
Amounts falling due 1-2 years				
Bank loans	267,498	2,496,344	267,498	2,496,344
Amounts falling due 2-5 years				
Bank loans	837,010	-	837,010	-
Amounts falling due after more than 5 years				
Bank loans	2,938,336	-	2,938,336	-
	<u>6,801,426</u>	<u>7,754,520</u>	<u>6,801,426</u>	<u>7,754,520</u>

In January 2016 the company secured an additional loan, repayable over 5 years. The loan is secured by a standard security over the properties owned by Priority Care Group Limited, Priority Care Limited and Priority Care Nursing Limited and via a bond and floating charge over the assets of all the group companies. An intercompany guarantee is held over the assets of all the companies of Priority Care Group Limited. At the balance sheet date the loan was fully repaid.

In May 2017 the company secured a further loan, repayable over 5 years. The loan is secured by a standard security over the St Columba's Care Home, a bond and floating charge over the assets of Priority Care Group Limited, Equalblend Limited and Equalblend Properties Limited. An intercompany guarantee is held over the assets of all companies of Priority Care Group Limited. At the balance sheet date the loan was due for repayment within less than one year.

In September 2020 the company secured a further loan, repayable over 7 years. The loan is secured by a standard security over the properties owned by Priority Care Group Limited, Priority Care Limited and Priority Care Nursing Limited and via a bond and floating charge over the assets of all the group companies. An intercompany guarantee is held over the assets of all the companies of Priority Care Group Limited. At the balance sheet date the loan was due for repayment within 7 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

23. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at amortised cost	<u>3,042,905</u>	<u>2,888,221</u>	<u>3,210,823</u>	<u>4,348,643</u>
Financial liabilities				
Financial instruments measured at amortised cost	<u>(7,506,727)</u>	<u>8,220,185</u>	<u>(9,574,732)</u>	<u>(7,759,470)</u>

Financial assets measured at amortised cost comprises cash at bank and in hand, trade, group and other debtors.

Financial liabilities measure at amortised cost comprise bank overdrafts and loans, trade and other creditors, payments received on account, accruals and deferred income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

24. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(1,453,743)	(1,305,443)
Charged to profit or loss	6,812	(35,269)
Charged to other comprehensive income	(10,066)	(113,031)
At end of year	(1,456,997)	(1,453,743)

Company

	2021 £	2020 £
At beginning of year	(591,005)	(522,975)
Charged to other comprehensive income	1,589	(68,030)
At end of year	(589,416)	(591,005)

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(1,456,997)	(1,453,743)	(589,416)	(591,005)
	(1,456,997)	(1,453,743)	(589,416)	(591,005)

25. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
750 Ordinary shares of £0.10 each	75	75

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

26. Reserves

Revaluation reserve

The revaluation reserve relates to the revaluation of the properties owned by the group, as adjusted for deferred tax.

Capital redemption reserve

The capital redemption reserve within the company relates to the buy back of 50 ordinary shares in 2010, and 25 ordinary shares in 2019.

Profit & loss account

The profit & loss account includes all current and prior period retained profits and losses.

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £87,277 (2020 - £81,624). Contributions totalling £12,715 (2020 - £15,965) were payable to the fund at the balance sheet date and are included in other creditors.

28. Commitments under operating leases

At 30 June 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Not later than 1 year	25,812	25,812	25,812	25,812
Later than 1 year and not later than 5 years	38,813	57,886	38,813	57,886
	<u>64,625</u>	<u>83,698</u>	<u>64,625</u>	<u>83,698</u>

29. Transactions with directors

During the year the following transactions occurred between the group and its directors:

Mr Andrew J Prior was advanced funds of £19,860 from the group. Included in other debtors at the year end is a balance of £189,311 (2020 - £169,451) due to the group.

Mrs Veronica Gibson was advanced funds of £8,033 from the group. Included in other debtors at the year end is a balance of £175,451 (2020 - £167,418) due to the group.

30. Controlling party

There is no ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

31. Audit exemption of subsidiary companies

The subsidiary company, Priority First Training Limited (Company number SC211320) is exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of s479A of the Companies Act 2006.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.