

Company registration number SC188546 (Scotland)

**PRIORITY CARE GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

# PRIORITY CARE GROUP LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	AJ Prior V A Gibson H Locherty
<b>Company number</b>	SC188546
<b>Registered office</b>	Priority House 23 Roseangle Dundee Scotland DD1 4LS
<b>Auditor</b>	Findlays Chartered Accountants 11 Dudhope Terrace Dundee Scotland DD3 6TS
<b>Bankers</b>	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2AD

---

# PRIORITY CARE GROUP LIMITED

## CONTENTS

---

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11 - 12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Company statement of cash flows	16
Notes to the financial statements	17 - 34

---

# **PRIORITY CARE GROUP LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 JUNE 2023***

---

The directors present the strategic report for the year ended 30 June 2023.

### **Fair review of the business**

The financial year has been another positive one reflected by continued 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 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.

### **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.

Due to the current employment market, the Group has faced staffing risks which has meant incurring increased cost for agency staff rather than long term permanent staff. More time has been spent on training new staff with the high turnover.

Currently, energy prices for power, heat and light are at an all time high which has impacted the Group significantly. Given the care homes have to be heated and well lit to ensure safety standards are met, there is little control over reducing such costs.

# PRIORITY CARE GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

---

### Key performance indicators

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

	2023	2022
	£	£
Turnover	10,115,669	9,744,503
Operating profit	858,078	966,963
Profit before tax	564,545	830,161
Net assets	13,564.267	13,757,613

On behalf of the board

V A Gibson

**Director**

20 March 2024

# **PRIORITY CARE GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

---

The directors present their annual report and financial statements for the year ended 30 June 2023.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £295,201 (2022 - £656,874).

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £108,000. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

AJ Prior  
V A Gibson  
H Locherty

#### **Supplier payment policy**

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

#### **Employee involvement**

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 attitudes of the applicant concerned related to the position in questions. In the event of any member of staff becoming disabled, every effort is made to ensure their employment within the Group continues.

#### **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.

#### **Auditor**

The auditor, Findlays Chartered Accountants, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon report**

The Group recognises the importance of its environmental responsibilities and monitor 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 there are as environmentally friendly as possible.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

## **PRIORITY CARE GROUP LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2023***

---

#### **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.

On behalf of the board

V A Gibson

**Director**

20 March 2024

# **PRIORITY CARE GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2023***

---

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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



# PRIORITY CARE GROUP LIMITED

## INDEPENDENT AUDITOR'S 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 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **PRIORITY CARE GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF PRIORITY CARE GROUP LIMITED**

---

#### **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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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 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 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 mis-statements in respect of irregularities, including fraud and non-compliance with laws and regulations is detailed below

The audit team has appropriate skills and expertise required and through discussions with management and Directors knowledge of the sector to ensure any non compliance is recognised and all necessary disclosures are made. the controls in place help the company mitigate the risk of fraud and also aids them in highlighting any instances of fraud that might have occurred.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Making enquiries of management about any known or suspected instances of non compliance with laws and regulations, including GDPR, health and safety, employment law and fraud, both in company and the group
- Enquiries of Management and Directors as to where they consider the susceptibility to fraud and their knowledge of how actual, suspected and alleged fraud might occur
- Review of any correspondence with regulators including HMRC for both company and group
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Auditing the risk of management override controls, including through testing of journal entries and other judgments for appropriateness
- Review of legal fees to ensure all necessary disclosures made
- Review of any areas where there is potential management bias or large and unusual transactions

## **PRIORITY CARE GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF PRIORITY CARE GROUP LIMITED**

---

Because of the field in which the client operates we identified the following areas as those most likely to have a material impact on the financial statements:

Direct impact on financial statements:

- Companies Act 2006
- International Standards of Auditing (UK)
- Accounting Standards

Indirect impact on financial statements:

- Health and Safety Act
- GDPR
- Employment Law
- Care Inspectorate regulations & Social Care Standards

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. This 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

**Lesley Campbell, BA, C.A. (Senior Statutory Auditor)**  
**For and on behalf of Findlays Chartered Accountants**

11 Dudhope Terrace  
Dundee  
Scotland  
DD3 6TS

20 March 2024

Findlays is eligible for appointment as auditor of the company by virtue of its eligibility for appointment as auditor of a company under s 1212 of the Companies Act 2006

# PRIORITY CARE GROUP LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	10,115,669	9,744,503
Cost of sales		(6,376,316)	(5,984,879)
<b>Gross profit</b>		<b>3,739,353</b>	<b>3,759,624</b>
Administrative expenses		(2,898,048)	(2,806,603)
Other operating income		16,773	13,942
<b>Operating profit</b>	<b>4</b>	<b>858,078</b>	<b>966,963</b>
Interest receivable and similar income	<b>8</b>	19,954	10,939
Interest payable and similar expenses	<b>9</b>	(313,487)	(147,741)
<b>Profit before taxation</b>		<b>564,545</b>	<b>830,161</b>
Tax on profit	<b>10</b>	(317,020)	(173,287)
<b>Profit for the financial year</b>	<b>26</b>	<b>247,525</b>	<b>656,874</b>
<b>Other comprehensive income</b>			
Tax relating to other comprehensive income		(332,875)	-
<b>Total comprehensive income for the year</b>		<b>(85,350)</b>	<b>656,874</b>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# PRIORITY CARE GROUP LIMITED

## GROUP BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		19,164,746		19,199,044
Investment property	14		280,590		280,590
			<u>19,445,336</u>		<u>19,479,634</u>
<b>Current assets</b>					
Stocks	18	3,550		3,550	
Debtors	19	1,925,706		2,039,140	
Cash at bank and in hand		1,061,765		817,218	
		<u>2,991,021</u>		<u>2,859,908</u>	
<b>Creditors: amounts falling due within one year</b>	20	(1,667,234)		(1,399,683)	
<b>Net current assets</b>			<u>1,323,787</u>		<u>1,460,225</u>
<b>Total assets less current liabilities</b>			<u>20,769,123</u>		<u>20,939,859</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(5,272,944)		(5,756,458)
<b>Provisions for liabilities</b>					
Deferred tax liability	23	1,931,912		1,425,784	
		<u>(1,931,912)</u>		<u>(1,425,784)</u>	
<b>Net assets</b>			<u><u>13,564,267</u></u>		<u><u>13,757,617</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		75		75
Revaluation reserve	26		8,647,974		9,122,388
Capital redemption reserve	26		275,677		275,677
Profit and loss reserves	26		4,640,541		4,359,477
<b>Total equity</b>			<u><u>13,564,267</u></u>		<u><u>13,757,617</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20 March 2024 and are signed on its behalf by:

AJ Prior  
Director

Company registration number SC188546 (Scotland)

# PRIORITY CARE GROUP LIMITED

## COMPANY BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	13	6,347,174		6,496,812	
Investments	15	104		104	
		<u>6,347,278</u>		<u>6,496,916</u>	
<b>Current assets</b>					
Debtors	19	2,255,142		2,193,675	
Cash at bank and in hand		458,871		527,979	
		<u>2,714,013</u>		<u>2,721,654</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(524,253)</u>		<u>(474,649)</u>	
<b>Net current assets</b>		<u>2,189,760</u>		<u>2,247,005</u>	
<b>Total assets less current liabilities</b>		<u>8,537,038</u>		<u>8,743,921</u>	
<b>Creditors: amounts falling due after more than one year</b>	21	<u>(5,272,944)</u>		<u>(5,756,458)</u>	
<b>Provisions for liabilities</b>					
Deferred tax liability	23	<u>764,913</u>		<u>582,961</u>	
		<u>(764,913)</u>		<u>(582,961)</u>	
<b>Net assets</b>		<u>2,499,181</u>		<u>2,404,502</u>	
<b>Capital and reserves</b>					
Called up share capital	25	75		75	
Revaluation reserve	26	1,597,928		1,819,897	
Capital redemption reserve	26	75		75	
Profit and loss reserves	26	901,103		584,455	
<b>Total equity</b>		<u>2,499,181</u>		<u>2,404,502</u>	

## **PRIORITY CARE GROUP LIMITED**

### **COMPANY BALANCE SHEET (CONTINUED)**

***AS AT 30 JUNE 2023***

---

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £385,928 (2022 - £127,986 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 20 March 2024 and are signed on its behalf by:

AJ Prior  
**Director**

Company registration number SC188546 (Scotland)

# PRIORITY CARE GROUP LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2021</b>		75	9,263,927	275,677	3,749,064	13,288,743
<b>Year ended 30 June 2022:</b>						
Profit and total comprehensive income		-	-	-	656,874	656,874
Dividends	11	-	-	-	(188,000)	(188,000)
Transfers		-	-	-	102,818	102,818
Other movements		-	(141,539)	-	38,721	(102,818)
<b>Balance at 30 June 2022</b>		75	9,122,388	275,677	4,359,477	13,757,617
<b>Year ended 30 June 2023:</b>						
Profit for the year		-	-	-	247,525	247,525
Other comprehensive income:						
Tax relating to other comprehensive income		-	(332,875)	-	-	(332,875)
Total comprehensive income		-	(332,875)	-	247,525	(85,350)
Dividends	11	-	-	-	(108,000)	(108,000)
Transfers		-	-	-	102,818	102,818
Other movements		-	(141,539)	-	38,721	(102,818)
<b>Balance at 30 June 2023</b>		75	8,647,974	275,677	4,640,541	13,564,267



# PRIORITY CARE GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2021</b>		75	1,858,618	75	605,748	2,464,516
<b>Year ended 30 June 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	127,986	127,986
Dividends	11	-	-	-	(188,000)	(188,000)
Other movements		-	(38,721)	-	38,721	-
<b>Balance at 30 June 2022</b>		75	1,819,897	75	584,455	2,404,502
<b>Year ended 30 June 2023:</b>						
Profit for the year		-	-	-	385,927	385,927
Other comprehensive income:						
Tax relating to other comprehensive income		-	(183,248)	-	-	(183,248)
Total comprehensive income		-	(183,248)	-	385,927	202,679
Dividends	11	-	-	-	(108,000)	(108,000)
Other movements		-	(38,721)	-	38,721	-
<b>Balance at 30 June 2023</b>		75	1,597,928	75	901,103	2,499,181

# PRIORITY CARE GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	29	1,749,795	1,505,375
Interest paid		(313,487)	(147,741)
Income taxes paid		(200,600)	(311,461)
<b>Net cash inflow from operating activities</b>		<u>1,235,708</u>	<u>1,046,173</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(598,153)	(254,751)
Proceeds from disposal of tangible fixed assets		51,895	44,000
Purchase of investment property		-	(280,590)
Repayment of loans		75,853	(274,121)
Interest received		19,954	10,939
<b>Net cash used in investing activities</b>		<u>(450,451)</u>	<u>(754,523)</u>
<b>Financing activities</b>			
Repayment of bank loans		(432,710)	(576,319)
Dividends paid to equity shareholders		(108,000)	(188,000)
<b>Net cash used in financing activities</b>		<u>(540,710)</u>	<u>(764,319)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>244,547</u>	<u>(472,669)</u>
Cash and cash equivalents at beginning of year		817,218	1,289,887
<b>Cash and cash equivalents at end of year</b>		<u><u>1,061,765</u></u>	<u><u>817,218</u></u>

# PRIORITY CARE GROUP LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	30		(106,673)		228,171
Income taxes paid			(92,532)		(9,066)
<b>Net cash (outflow)/inflow from operating activities</b>			(199,205)		219,105
<b>Investing activities</b>					
Proceeds from disposal of intangibles		-		(10,141)	
Purchase of tangible fixed assets		-		(549)	
Proceeds from disposal of subsidiaries		-		10,141	
Repayment of loans		75,853		(274,121)	
Interest received		19,954		10,939	
Dividends received		575,000		355,025	
<b>Net cash generated from investing activities</b>			670,807		91,294
<b>Financing activities</b>					
Repayment of bank loans		(432,710)		(576,319)	
Dividends paid to equity shareholders		(108,000)		(188,000)	
<b>Net cash used in financing activities</b>			(540,710)		(764,319)
<b>Net decrease in cash and cash equivalents</b>			(69,108)		(453,920)
Cash and cash equivalents at beginning of year			527,979		981,899
<b>Cash and cash equivalents at end of year</b>			458,871		527,979

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2023**

---

### **1 Accounting policies**

#### **Company information**

Priority Care Group Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is .

The group consists of Priority Care Group Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Company have 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

#### **1.2 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Priority Care Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 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 is recognised in respect of the provision of care services.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	10 years straight line
-------------------	------------------------

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Property	2% straight line
Fixtures and fittings	15%-33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

---

### 1 Accounting policies

(Continued)

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Key sources of estimation uncertainty

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

#### Depreciation

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

#### Freehold Property

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.

#### Investment Property Valuation

The valuations have been made by the directors of the company on an open market value basis.

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Residential Care of Elderly & Adults with learning difficulties	10,115,669	9,744,503

	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	19,954	10,939

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	593,686	529,195
Profit on disposal of tangible fixed assets	(13,130)	(875)
Operating lease charges	1,524	1,440

### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	3,600	6,008
Audit of the financial statements of the company's subsidiaries	21,214	17,856
	24,814	23,864

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group	2022	Company	2022
2023	Number	2023	Number
Number		Number	
250	255	3	3

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	6,104,586	5,873,659	-	-
Social security costs	411,630	359,556	-	-
Pension costs	92,165	80,013	-	-
	<u>6,608,381</u>	<u>6,313,228</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	312,655	356,671
Company pension contributions to defined contribution schemes	7,396	7,027
	<u>320,051</u>	<u>363,698</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	<u>119,453</u>	<u>135,154</u>

### 8 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Other interest income	<u>19,954</u>	<u>10,939</u>

### 9 Interest payable and similar expenses

	2023 £	2022 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	307,865	147,741
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	<u>5,622</u>	<u>-</u>
Total finance costs	<u>313,487</u>	<u>147,741</u>

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 10 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	150,376	204,500
Adjustments in respect of prior periods	(6,609)	-
Total current tax	143,767	204,500
<b>Deferred tax</b>		
Origination and reversal of timing differences	173,253	(31,213)
Total tax charge	317,020	173,287

The tax rate changed in April 2023 from 19% to 25%. The effective rate of 20.5% has been used in the tax reconciliation.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	564,545	830,161
Expected tax charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	115,732	157,731
Tax effect of expenses that are not deductible in determining taxable profit	3,464	-
Gains not taxable	788	-
Effect of change in corporation tax rate	(32)	-
Group relief	-	(17,591)
Under/(over) provided in prior years	(6,609)	-
Capital allowances for year in excess of depreciation	173,253	64,360
Short term timing difference leading to an increase/(decrease) in taxation	30,424	(31,213)
Taxation charge	317,020	173,287

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023 £	2022 £
Deferred tax arising on:		
Revaluation of property	332,875	-

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 11 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Final paid	108,000	188,000

### 12 Intangible fixed assets

Group	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 July 2022 and 30 June 2023	192,000	117,260	309,260
<b>Amortisation and impairment</b>			
At 1 July 2022 and 30 June 2023	192,000	117,260	309,260
<b>Carrying amount</b>			
At 30 June 2023	-	-	-
At 30 June 2022	-	-	-

The company had no intangible fixed assets at 30 June 2023 or 30 June 2022.

### 13 Tangible fixed assets

Group	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 July 2022	20,018,929	2,132,050	208,672	22,359,651
Additions	249,011	93,279	255,863	598,153
Disposals	-	(2,150)	(77,522)	(79,672)
At 30 June 2023	20,267,940	2,223,179	387,013	22,878,132
<b>Depreciation and impairment</b>				
At 1 July 2022	1,222,058	1,821,904	116,645	3,160,607
Depreciation charged in the year	407,515	106,214	79,957	593,686
Eliminated in respect of disposals	-	(2,150)	(38,757)	(40,907)
At 30 June 2023	1,629,573	1,925,968	157,845	3,713,386
<b>Carrying amount</b>				
At 30 June 2023	18,638,367	297,211	229,168	19,164,746
At 30 June 2022	18,796,871	310,146	92,027	19,199,044

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 13 Tangible fixed assets (Continued)

Company	Freehold Property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 July 2022 and 30 June 2023	6,875,514	99,100	6,974,614
<b>Depreciation and impairment</b>			
At 1 July 2022	412,530	65,272	477,802
Depreciation charged in the year	137,510	12,128	149,638
At 30 June 2023	550,040	77,400	627,440
<b>Carrying amount</b>			
At 30 June 2023	6,325,474	21,700	6,347,174
At 30 June 2022	6,462,984	33,828	6,496,812

The carrying value of land and buildings comprises:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Freehold	18,646,143	18,796,869	6,325,474	6,462,984

Land and buildings with a carrying amount of £18,646,143 were revalued in June 2019 by Jones, Lang Lasalle, Chartered Surveyors on the basis of open market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The directors believe this valuation still accurately reflects the value of the land & buildings at the year end 30 June 2023

The cost or valuation at 30 June 2023 is as follows

	£
Cost	10,646,427
<b>At Valuation</b>	
Valuation 2008	6,144,442
Valuation 2009	(47,278)
Valuation 2010	355,387
Impairment 2014	(290,586)
Valuation 2017	728,965
Valuation 2019	2,758,357
	<u>9,629,287</u>
	<u>20,275,714</u>

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 13 Tangible fixed assets

(Continued)

	Freehold Property	
	2023	2022
	£	£
<b>Group</b>		
Cost	10,646,427	10,389,640
Accumulated depreciation	(1,974,113)	(1,759,344)
Carrying value	8,672,314	8,630,296
<b>Company</b>		
Cost	2,669,484	2,669,484
Accumulated depreciation	(106,780)	(53,390)
Carrying value	2,562,704	2,616,094

### 14 Investment property

	Group	Company
	2023	2023
	£	£
<b>Fair value</b>		
At 1 July 2022 and 30 June 2023	280,590	-

Investment property comprises 2 properties held for rental purposes. These were purchased last year and the value has been deemed to be appropriate by the directors.

### 15 Fixed asset investments

		Group		Company	
	Notes	2023	2022	2023	2022
		£	£	£	£
Investments in subsidiaries	16	-	-	104	104

#### Movements in fixed asset investments

Company	Shares in subsidiaries
	£
<b>Cost or valuation</b>	
At 1 July 2022 and 30 June 2023	104
<b>Carrying amount</b>	
At 30 June 2023	104
At 30 June 2022	104

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 16 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Priority Care Limited	Priority House, 23 Roseangle, Dundee, DD1 4LS	Ordinary	100.00
Priority Care Nursing Limited	Priority House, 23 Roseangle, Dundee, DD1 4LS	Ordinary	100.00
Priority Care (Northern) Limited	Priority House, 23 Roseangle, Dundee, DD1 4LS	Ordinary	100.00
Priority Care (Tayside) Limited	Priority House, 23 Roseangle, Dundee, DD1 4LS	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Priority Care Limited	2,812,136	(211,039)
Priority Care Nursing Limited	3,758,902	451,068
Priority Care (Northern) Limited	3,067,254	253,742
Priority Care (Tayside) Limited	1,574,570	(9,497)

### 17 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	2,914,436	2,856,358	2,714,013	2,721,654
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	6,654,426	6,942,491	5,797,197	6,231,107

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

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

### 18 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	3,550	3,550	-	-



# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 19 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	592,895	752,261	-	-
Corporation tax recoverable	239,626	140,078	211,080	118,548
Amounts owed by group undertakings	-	-	1,037,622	1,006,746
Other debtors	979,690	1,035,211	979,690	1,035,211
Prepayments and accrued income	113,495	111,590	26,750	33,170
	<u>1,925,706</u>	<u>2,039,140</u>	<u>2,255,142</u>	<u>2,193,675</u>

### 20 Creditors: amounts falling due within one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans	22	519,453	468,649	519,453	468,649
Payments received on account		79,951	77,758	-	-
Trade creditors		244,760	312,446	-	-
Amounts owed to group undertakings		-	1	-	-
Corporation tax payable		85,660	42,945	-	-
Other taxation and social security		148,949	170,705	-	-
Other creditors		353,924	54,032	-	-
Accruals and deferred income		234,537	273,147	4,800	6,000
		<u>1,667,234</u>	<u>1,399,683</u>	<u>524,253</u>	<u>474,649</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.

### 21 Creditors: amounts falling due after more than one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans and overdrafts	22	<u>5,272,944</u>	<u>5,756,458</u>	<u>5,272,944</u>	<u>5,756,458</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>3,325,015</u>	<u>3,790,194</u>	<u>3,325,015</u>	<u>3,790,194</u>
------------------------	------------------	------------------	------------------	------------------

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 22 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	5,792,397	6,225,107	5,792,397	6,225,107
Payable within one year	519,453	468,649	519,453	468,649
Payable after one year	5,272,944	5,756,458	5,272,944	5,756,458

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.

In September 2020 the company secured a 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 5 years.

A further loan was secured in May 2022 repayable over 10 years with the same conditions and security as the previous loans.

### 23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
<b>Group</b>		
Accelerated capital allowances	64,259	8,515
Change of corporation tax rate	1,867,653	1,417,269
	<u>1,931,912</u>	<u>1,425,784</u>
	Liabilities 2023 £	Liabilities 2022 £
<b>Company</b>		
Accelerated capital allowances	1,379	2,676
Change of corporation tax rate	763,534	580,285
	<u>764,913</u>	<u>582,961</u>

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 23 Deferred taxation (Continued)

	Group 2023 £	Company 2023 £
<b>Movements in the year:</b>		
Liability at 1 July 2022	1,425,784	582,961
Charge/(credit) to profit or loss	55,745	(1,296)
Charge to other comprehensive income	450,383	183,248
	<u>1,931,912</u>	<u>764,913</u>
Liability at 30 June 2023	<u>1,931,912</u>	<u>764,913</u>

The deferred tax liability set out above is expected to reverse within the next few years and relates to accelerated capital allowances that are expected to mature within the same period.

### 24 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>92,165</u>	<u>80,013</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Included in creditors at the year end is £15,395 (2021 - £12,715) relating to pension contributions outstanding at the year end.

### 25 Share capital

Group and company	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 10p each	<u>750</u>	<u>750</u>	<u>75</u>	<u>75</u>

### 26 Reserves

#### Revaluation reserve

The revaluation reserve relates to the revaluation of the properties owned by the group, as adjusted for deferred tax. At the year end £8,647,974 (2022 - £9,122,388) was included in a revaluation reserve relating to properties held in the group revalued in 2019. This is considered to be a non distributable reserve.

Of the above £1,597,928 (2022 - £1,819,897) relates to the company's share of the non distributable reserves.

#### 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.

## PRIORITY CARE GROUP LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

#### 27 Directors' transactions

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

Mr Andrew J Prior was advanced funds of £18,183 from the group and made repayments totalling £54,757. Included in other debtors at the year end is a balance of £292,469 (2022 - £329,042).

Mrs Veronica Gibson was advanced funds of £14,627 from the group and made repayments totalling £53,906. Included in other debtors at the year end is a balance of £270,561 (2022 - £309,840).

#### 28 Controlling party

There is no ultimate controlling party.

#### 29 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	247,525	656,874
<b>Adjustments for:</b>		
Taxation charged	317,020	173,287
Finance costs	313,487	147,741
Investment income	(19,954)	(10,939)
Gain on disposal of tangible fixed assets	(13,130)	(875)
Depreciation and impairment of tangible fixed assets	593,686	529,195
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	137,129	(41,061)
Increase in creditors	174,032	51,153
<b>Cash generated from operations</b>	<b>1,749,795</b>	<b>1,505,375</b>

# PRIORITY CARE GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 30 Cash (absorbed by)/generated from operations - company

	2023 £	2022 £
Profit for the year after tax	385,927	127,986
<b>Adjustments for:</b>		
Taxation credited	(1,296)	(6,455)
Investment income	(594,954)	(365,964)
(Gain)/loss on disposal of intangible assets	-	10,141
Depreciation and impairment of tangible fixed assets	149,638	152,292
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(44,788)	309,371
(Decrease)/increase in creditors	(1,200)	800
<b>Cash (absorbed by)/generated from operations</b>	<b>(106,673)</b>	<b>228,171</b>

### 31 Analysis of changes in net debt - group

	1 July 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	817,218	244,547	1,061,765
Borrowings excluding overdrafts	(6,225,107)	432,710	(5,792,397)
	<u>(5,407,889)</u>	<u>677,257</u>	<u>(4,730,632)</u>

### 32 Analysis of changes in net debt - company

	1 July 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	527,979	(69,108)	458,871
Borrowings excluding overdrafts	(6,225,107)	432,710	(5,792,397)
	<u>(5,697,128)</u>	<u>363,602</u>	<u>(5,333,526)</u>

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.