

Company registration number 06934463 (England and Wales)

**THE GOOD CARE GROUP SCOTLAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# THE GOOD CARE GROUP SCOTLAND LIMITED

## COMPANY INFORMATION

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**Directors**

Mr S Mistry  
Mrs J M Renton  
Mr D J B Sandoz  
Mrs V Sapojnic  
Mr S R Bailey (Appointed 6 July 2022)

**Secretary**

Sodexo Corporate Services (No.2) Limited

**Company number**

06934463

**Registered office**

120 Leaman Street  
London  
E1 8EU

**Auditor**

KPMG LLP  
1 St. Peter's Square  
Manchester  
M2 3AE

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# THE GOOD CARE GROUP SCOTLAND LIMITED

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# THE GOOD CARE GROUP SCOTLAND LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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The directors present the strategic report for the year ended 31 August 2022.

### Principal Activity

The principal activity of the company continued to be the provision of high-quality live-in care to elderly clients in Scotland. The care is provided in partnership with our parent company, The Good Care Group London Ltd (TGCGLL). The Good Care Group Scotland Ltd (TGCGSL) remain responsible for the quality of the service and compliance with all relevant legislation.

### Business Review

#### Brexit

The UK left the EU on the 31 January 2020 and the subsequent transition period ended on 31 December 2020. This has adversely impacted the care sector's ability to recruit professional carers from the European Union, unless they have settled status or otherwise have the right to work in the UK, and has therefore reduced the size of the available labour pool.

#### Covid-19

On 8 March 2021, England began a phased exit from lockdown, following a our-step plan which resulted in all lockdown laws being revoked by 18 July 2021, although some other general restrictions, such as self-isolation and international quarantine, remained in place until the spring of 2022. In Scotland, most restrictions were lifted by May 2022. The lifting of these restrictions made it considerably easier to place carers from both the UK and overseas with clients around the UK.

#### Recruitment

Given the buoyant job market and the increasingly tight labour market as the economy has reopened following the lifting of lockdown restrictions, many sectors such as care, retail and hospitality are finding it increasingly difficult to recruit and retain key workers.

The Good Care Group continues to invest in pay and benefits, and our parent company has recently introduced a discount card for all of its employees (many of whom work with our Scottish clients) to help them mitigate the increased cost of living through discounts with local businesses and large national retailers.

#### Client Needs

We continue to work closely with our clients to ensure we deliver the very best care, but we have not been able to take on new clients at the rate same we did before the pandemic given the tighter labour market, particularly in the live-in care sector. We are actively working to address this issue.

#### Our Team

It has been an incredibly challenging time for our team since the first lockdown came into force on 23 March 2020, and the Directors would like to record their thanks for the dedication of our professional carers and support teams have shown to the company and our clients throughout this difficult period, as well as the empathy and support they have shown each other. Thank you.

#### Partnership with The Good Care Group London Ltd

A new Inter-Company Services Agreement between The Good Care Group Scotland Ltd (TGCGSL) and its parent company, The Good Care Group London Ltd (TGCGLL), took effect on 1 September 2021. Under the terms of this agreement, TGCGLL provides a range of services to TGCGSL to enable it to serve its clients in Scotland. TGCGSL are responsible for the quality of the service and compliance with all relevant legislation.

In return for providing TGCGSL with these services, TGCGLL receives a fee equivalent to 95% of the revenue billed to clients in Scotland. Previously, TGCGLL recognised all of the revenues attributable to Scottish clients. See note 2.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### KPIs

TGCGSL recognised 100% revenue billed to clients in Scotland in the year (2021: 0%) and pays TGCGLL a fee equivalent to 95% (2021: 0%) of those revenues for the services it provides, under its direction, to clients in Scotland. Consequently, revenues for the year were £3,962,841 and Operating Profit was £198,421.

### Future Developments & Risk Management

#### Health, Safety and Wellbeing

We will continue to put the health, safety and wellbeing of our clients and professional carers first in everything we do.

#### Pricing

We continue to work closely with our funders and clients to ensure we deliver the very best care at a competitive price which reflects the investment we continue to make in our workforce and the inflationary environment in which the company is operating.

#### Pay

We will continue to invest in pay and benefits to ensure that our professional carers and support teams are fairly rewarded for the outstanding job that they do, and will continue to scale up our recruitment activity in order to return the business to growth.

### Directors' statement of compliance with duty to promote the success of the Company

We describe in this section of the report how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. In particular, the section outlines how the directors have acted in a way which is most likely to promote the success of the Company for the benefit of the members as a whole and in doing so having regard for stakeholders' interests.

The Company is part of the Sodexo SA group of companies and falls under the stewardship of the Sodexo's UK Regional Leadership Committee (RLC). The board of directors of the Company also includes members of the UK RLC.

The following paragraphs summarise how the Directors' fulfil their duties and engage with each of the key stakeholder groups.

We take the opportunity here to explain how both:

- The directors have regard to section 172(1) of the Companies Act 2006 in respect of the interests of the Company's employees; and
- The directors have engaged with employees and the effect of this engagement on principal decisions of the Company.

### Employees

The Board recognises that, as a leading provider of care services, its professional carers and support teams are key to the Company's strength and success. The Board and the RLC is committed to ensuring:

- Health & Safety
- Ongoing support to all employees
- High levels of employee engagement, wellbeing and communications
- A diverse and inclusive workforce and culture.

### Health & Safety

The Company is committed to ensuring a safe and healthy working environment for all its employees, contractors and visitors. Through suitable and sufficient risk assessment and the creation of resulting safe systems of work, Sodexo provides employees with information, training and instruction to enable them to work safely and to protect the safety and health of those who may be affected by its activities. Compliance with legislative requirements underpins its purpose. The Company tests and challenges itself to continually improve and to engage with its people to ensure everyone has a voice and is properly informed.

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# THE GOOD CARE GROUP SCOTLAND LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Company believes that health and safety is everyone's responsibility and through strong leadership, supervision and holding each other to account, health and safety can become a way of life that adds value and drives improved performance. Management and monitoring of performance is achieved through robust reporting, strong audit and monitoring regimes.

### **Employee support during Covid-19**

Measures were put in place during the Covid-19 pandemic to look after employees and where appropriate give them the opportunity to work from home. The Coronavirus Job Retention Scheme (CJRS) ended on 30 September 2021. We did not utilise the scheme during the year, although we were able to utilise the scheme in the previous financial year to protect the jobs of colleagues who could not safely continue in their front-line roles, and could not be redeployed to other parts of the organisation, during the height of the pandemic.

### **Employee engagement**

We measure the effectiveness Employee Value Proposition (EVP) by conducting annual employee engagement surveys and ad hoc surveys to address specific areas of concern. The data are thematically and statistically analysed to distil an action plan to address the points raised through the survey.

We monitor attrition rates, feedback from exit interviews, and absenteeism levels in an effort to identify emerging people risks, trends, and to ensure appropriate action is taken to address these. Emerging people risks and trends are highlighted to the Board together with proposed action plans.

The Company continues to provide ongoing support to all employees and provides a confidential route ('Speak-Up') for staff to raise concerns

The Company is proud of all of its teams and their dedication and agility as our client and business needs continue to evolve.

### **Diversity, Equity & Inclusion (DE&I)**

Inclusivity is a key commitment to ensure colleagues 'can bring their authentic selves to work' so they feel a sense of belonging that allows them to act with purpose and thrive.

Our DE&I strategy focuses on five dimensions Gender, Culture & Origins, Disability, Sexual Orientation & Gender Identity, and Generations. Each of these focus areas has an executive sponsor who is a member of the RLC. They play a key role at championing the agenda, driving progress and embedding accountability at a senior level.

### **Clients**

We recognise that client retention is the first step to growth. We provide the best possible care to our clients and carefully monitor and act on their feedback.

### **Suppliers**

Sodexo manages their end-to-end supply chain to meet legislative requirements, mitigate risks and satisfy customer demands for supply chain transparency. All suppliers of goods and services to Sodexo are prequalified to ensure they are capable and competent to deliver the goods or carry out the work they are being contracted to supply. Vendors are assessed against Sodexo's Supplier Code of Conduct. The level of initial assessment and ongoing monitoring relates directly to the services/products provided or to be performed and the associated risk.

The Company is committed to ensuring that slavery and human trafficking is not taking place in any of its supply chains or any part of its business and has in place measures to manage this risk.

### **Community**

Sodexo's approach to creating Social Value and measuring its impact within local communities forms an integral part of the Company's regional strategy. The Company is undergoing a comprehensive programme to fully embed and coordinate its impact on local communities and the environment. This is led by our RLC.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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Our focus is based around four social value impact pathways:

- *Our People – by enabling our employees, customers and community citizens to thrive*
- *Our Planet – by fostering a culture of environmental responsibility through protecting and enhancing our planet*
- *Our Places – by adopting a needs-led approach to creating equity for all across our communities*
- *Our Partners – by taking an inclusive approach to creating resilience and growth amongst our partner network.*

Each year we publish our progress against our social impact commitments. This can be found at Social Impact Pledge <https://uk.sodexo.com/socialimpact/people.html>

Sodexo is the founding partner of the Stop Hunger Foundation; an independent registered charity active in over 54 countries around the world and was created in 1996 by US Sodexo colleagues who witnessed children going to school hungry.

Further information on the Company's work in this area, and the impact in local communities, is set out at <https://uk.stop hunger.org/home>

### **Shareholder**

The Board of the Company duly considers the views of its ultimate shareholder, Sodexo SA, and the interests of the Group as a whole as part of any major decisions and transactions undertaken by the Company. The Chair, the Board and the RLC members provide the channel of communication between the Company and its shareholder.

### **Long-term decision making**

The directors continue to review the Company's organisational structure, cost base, service offers, investments and other business plans to ensure all are optimal as our environment evolves.

### **Standards of business conduct**

Sodexo's Code of Ethics applies to all Directors and employees of the Company, and it embodies the Group's commitment to maintaining the highest standards of ethical business conduct and integrity. This is underpinned through regular training and an embedded ethical culture. The Company has implemented a Whistleblower facility whereby staff can raise issues that could be misconduct. Regular mandatory training for staff on the principles of Responsible Business Conduct is in place and completion rates are monitored.

The Ethics & Compliance Committee receives, considers, and manages concerns raised under the Code of Ethics, Anti Bribery Policy, Gifts & Hospitality Policy and Whistleblower Policy (including any allegations of bribery and corruption), conducts investigations, takes appropriate action, monitors and reviews incidents and training, measures trends and reports appropriately to the Board. The Committee maintains an incident log.

Sodexo shares the same ethical principles as those set out in the Modern Slavery Act, 2015. We believe in the elimination of all forms of compulsory labour and work to ensure slavery and human trafficking do not take place within any part of our business supply chain.

Further details are set out in the Company's Modern Slavery Act Statement:

<https://uk.sodexo.com/files/live/sites/comuk/files/Legal%20and%20Privacy/modernslaveryreport.pdf>

On behalf of the board

Mrs J M Renton  
**Director**

30 May 2023

# THE GOOD CARE GROUP SCOTLAND LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The directors present their annual report and financial statements for the year ended 31 August 2022.

#### Results and dividends

The results for the year are set out on page 12. The company's profit after tax for the year was £160,495 (2021: £nil) and net assets as at 31 August 2022 were £204,197 (2021: £43,702).

No ordinary dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend.

No preference dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend.

#### Directors

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

Mr S Mistry  
Mrs J M Renton  
Mr D J B Sandoz  
Mrs V Sapojnic  
Mr S R Bailey  
Mr G B Vestur

(Appointed 6 July 2022)  
(Resigned 4 October 2021)

#### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 0 day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### Political donations

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

#### Auditor

KPMG LLP were appointed as auditor to the company during the year. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

#### Energy and carbon report

The company does not qualify as a large company under the Streamlined Energy and Carbon Reporting (SECR) regulations and is not required to report on its emissions, energy consumption or energy efficiency activities in this reporting period.

#### 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 company's auditor 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 company's auditor is aware of that information.



# THE GOOD CARE GROUP SCOTLAND LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Going concern**

The directors continue to adopt the going concern basis in the preparation of the financial statements.

The business has remained resilient through the UK wide Covid-19 lockdowns which ended on 18 July 2021 due to the essential nature of the service it provides and the high proportion high net worth individuals it serves. We continue to see opportunities for organic growth provided that we can continue to attract, recruit and retain professional carer in an increasingly tight labour market.

As inflationary pressures increase, we continue to work with our clients to ensure we receive a fair price for the services that we provide, so that we can continue to invest in our workforce. Agility, good commercial management, and careful cost control continue to be critical to our ongoing success.

To inform the basis of preparation of these accounts, the directors have considered cash and profit scenarios for forward trade over the next 12 months.

Routine peaks in cash requirements during the trading cycle, can be funded from the significant cash balance the company / its immediate parent company (The Good Care Group London Ltd) has on hand at the end of the 2022 financial year.

As at the date of approval of the financial statements, the shareholders of GCG Holdings Ltd are exploring various strategic options with regard to their shareholding, including the sale of their shares. Although the outcome of the process is currently uncertain, the directors have considered the consequences if a sale was to occur in the forecast period. It is not possible to predict what would happen to the entity if there was a sale, however, the directors have no reason to believe that the company would not continue to trade given its very good / excellent rating from the Care Inspectorate and the challenges, and ensuing reinspection, associated with transferring the registration to another legal entity within the going concern period.

Based on these analyses and facts, the directors believe that the Company will be able to continue to meet its liabilities as they fall due for at least the next 12 months and therefore have prepared the financial statements on a going concern basis.

On behalf of the board

Mrs J M Renton  
**Director**

30 May 2023

# THE GOOD CARE GROUP SCOTLAND LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE GOOD CARE GROUP SCOTLAND LIMITED

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#### Opinion

We have audited the financial statements of The Good Care Group Scotland Limited (the 'company') for the year ended 31 August 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

#### Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE GOOD CARE GROUP SCOTLAND LIMITED

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We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates; and
- the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks. We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

#### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE GOOD CARE GROUP SCOTLAND LIMITED

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#### Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006

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

Under the Companies Act 2006 we are required to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

#### Responsibilities of directors

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# **THE GOOD CARE GROUP SCOTLAND LIMITED**

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

### **TO THE MEMBERS OF THE GOOD CARE GROUP SCOTLAND LIMITED**

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#### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Andrew Reddington (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP**

30 May 2023

**Chartered Accountants**  
**Statutory Auditor**

1 St. Peter's Square  
Manchester  
M2 3AE

# THE GOOD CARE GROUP SCOTLAND LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Revenue	2	3,962,841	-
Cost of sales		(3,764,699)	-
<b>Gross profit</b>		<b>198,142</b>	<b>-</b>
Tax on profit	4	(37,647)	-
<b>Profit and total comprehensive income for the financial year</b>		<b>160,495</b>	<b>-</b>

All amounts above relate to continuing operations. The notes on pages pages 15 to 20 form part of these financial statements.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Current assets</b>					
Trade and other receivables	5	243,764		45,622	
<b>Current liabilities</b>	6	(39,567)		(1,920)	
<b>Net current assets</b>			<b>204,197</b>		<b>43,702</b>
<b>Net assets</b>			<b>204,197</b>		<b>43,702</b>
<b>Equity</b>					
Called up share capital	8		100		100
Retained earnings			204,097		43,602
<b>Total equity</b>			<b>204,197</b>		<b>43,702</b>

The financial statements were approved by the board of directors and authorised for issue on 30 May 2023 and are signed on its behalf by:

Mrs J M Renton  
**Director**

Company registration number 06934463



# THE GOOD CARE GROUP SCOTLAND LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 AUGUST 2022*

	Share capital	Retained earnings	Total
	£	£	£
<b>Balance at 1 September 2020</b>	100	43,602	43,702
<b>Year ended 31 August 2021:</b>			
Total comprehensive income for the year	-	-	-
<b>Balance at 31 August 2021</b>	100	43,602	43,702
<b>Year ended 31 August 2022:</b>			
Profit and total comprehensive income for the year	-	160,495	160,495
<b>Balance at 31 August 2022</b>	100	204,097	204,197

# THE GOOD CARE GROUP SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### Company information

The Good Care Group Scotland Limited is a private company limited by shares incorporated in England and Wales. The registered office is 120 Leman Street, London, E1 8EU. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ["Adopted IFRSs"], but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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. The principal accounting policies adopted are set out below and have been applied consistently to all periods presented in the financial statements, unless otherwise stated.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(i) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Sodexo S.A in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

The Company's ultimate parent undertaking, Sodexo S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Sodexo S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and are published on the company's website at [www.sodexo.com](http://www.sodexo.com).

# THE GOOD CARE GROUP SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.2 Going concern

The directors continue to adopt the going concern basis in the preparation of the financial statements.

The business has remained resilient through the UK wide Covid-19 lockdowns which ended on 18 July 2021 due to the essential nature of the service it provides and the high proportion high net worth individuals it serves. We continue to see opportunities for organic growth provided that we can continue to attract, recruit and retain professional carer in an increasingly tight labour market.

As inflationary pressures increase, we continue to work with our clients to ensure we receive a fair price for the services that we provide, so that we can continue to invest in our workforce. Agility, good commercial management, and careful cost control continue to be critical to our ongoing success.

To inform the basis of preparation of these accounts, the directors have considered cash and profit scenarios for forward trade over the next 12 months.

Routine peaks in cash requirements during the trading cycle, can be funded from the significant cash balance the company / its immediate parent company (The Good Care Group London Ltd) has on hand at the end of the 2022 financial year.

As at the date of approval of the financial statements, the shareholders of GCG Holdings Ltd are exploring various strategic options with regard to their shareholding, including the sale of their shares. Although the outcome of the process is currently uncertain, the directors have considered the consequences if a sale was to occur in the forecast period. It is not possible to predict what would happen to the entity if there was a sale, however, the directors have no reason to believe that the company would not continue to trade given its very good / excellent rating from the Care Inspectorate and the challenges, and ensuing reinspection, associated with transferring the registration to another legal entity within the going concern period.

Based on these analyses and facts, the directors believe that the Company will be able to continue to meet its liabilities as they fall due for at least the next 12 months and therefore have prepared the financial statements on a going concern basis.

#### 1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for the provision of live in care, and is shown net of VAT and other sales related taxes.

Revenue from contracts for the provision of care services are recognised when the service has been provided and is based on time spent by staff during the period.

#### 1.4 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Impairment of financial assets**

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.5 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

#### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

### 1.6 Equity instruments

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

### 1.7 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 income statement 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 company'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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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 when the company has 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.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies (Continued)

#### 1.8 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 inventories or non-current 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.

### 2 Revenue

A new Inter-Company Services Agreement between The Good Care Group Scotland Ltd (TGCGSL) and its parent company, The Good Care Group London Ltd (TGCGLL), took effect on 1 September 2021. Under the terms of this agreement, TGCGLL provides a range of services to TGCGSL to enable it to serve its clients in Scotland. TGCGSL are responsible for the quality of the service and compliance with all relevant legislation.

In return for providing TGCGSL with these services, TGCGLL receives a fee equivalent to 95% of the revenue billed to clients in Scotland. Previously, TGCGLL recognised all of the revenues attributable to Scottish clients. This change is reflected in the table below.

	2022	2021
	£	£
<b>Revenue analysed by class of business</b>		
Care services billed to clients in Scotland	3,962,841	-

### 3 Employees

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

	2022	2021
	Number	Number
Total	-	-

### 4 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	37,647	-

On 1 April 2017, the standard rate of corporation tax changed to 19%. For the purpose of the company accounts to 31 August 2022, the standard rate of corporation tax has been applied.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023 for companies with profits over £250,000. This will have a consequential effect on the company's future tax charge.

# THE GOOD CARE GROUP SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Taxation (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £	2021 £
Profit before taxation	198,142	-
Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)	37,647	-
Tax charged in the financial statements	37,647	-

### 5 Trade and other receivables

	2022 £	2021 £
Amount owed by parent undertaking	242,302	-
Other receivables	1,462	45,622
	243,764	45,622

### 6 Liabilities

	Notes	2022 £	2021 £
Trade and other payables	7	1,920	1,920
Corporation tax		37,647	-
		39,567	1,920

### 7 Trade and other payables

	2022 £	2021 £
Other payables	1,920	1,920

## THE GOOD CARE GROUP SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **8 Share capital**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary of £1 each	100	100	<b>100</b>	100
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### **9 Controlling party**

The company's immediate parent company is The Good Care Group London Ltd, registered in England and Wales. The registered office is 120 Leman Street, London, E1 8EU.

The ultimate controlling party (and the group into which the entity is consolidated) is Sodexo SA and its registered office is 255 quai de la Bataille de Stalingrad, 92130 Issy les Mounlineaux, France.

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.