

# **Health & Care Services (UK) Limited**

## **Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2022**

**Registration number: 02083074**

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# **Health & Care Services (UK) Limited**

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# **Health & Care Services (UK) Limited**

## **Company Information**

<b>Directors</b>	David Hall
	Jim Lee
	Rebekah Cresswell
<b>Company secretary</b>	David Hall
<b>Registered office</b>	Fifth Floor
	80 Hammersmith Road
	London
	W14 8UD

# Health & Care Services (UK) Limited

## Strategic Report for the Year Ended 31 December 2022

The directors present their report for the year ended 31 December 2022.

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

The results for the year are set out in the profit and loss account on page 6 and the position of the company as at the year end is set out in the balance sheet on page 8.

The company is focussed on the social care sector and the performance of the company can be impacted by external factors. The principal factors are changes in the UK government's policy towards outsourcing of care, changes in the regulatory regime and competitive threats from other independent providers. Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by unit, occupancy and profit margins achieved.

The company's management is satisfied with the performance for the year, and is committed to a continued growth strategy.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Priory Group UK 1 Limited, an intermediate parent of the company, is discussed in the group's financial statements which includes the company and does not form part of this report.

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principle risks and uncertainties of Priory Group UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### **Statement on Section 172(1)**

The following Section 172 statement, which is required by the Companies Act 2006, describes how the directors have had regard to the matters set out in Section 172(1a to 1f) including key decisions and matters that are of strategic importance to the company. The directors, in line with their duties under Section 172 of the Companies Act 2006, act in a way they consider, in good faith would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term.

From the perspective of the company, decisions and policies relating to Section 172(1) are determined at group level and applied to the company, where relevant, by the directors. Accordingly, further details in relation to how the directors have engaged with suppliers, customers, employees and other stakeholders are included in the financial statements of Priory Group UK 1 Limited, an intermediate parent of the company, which includes the company and does not form part of this report.

Approved by the Board on 31 July 2023 and signed on its behalf by:

*David Hall*

.....  
David Hall  
Company secretary and director

# Health & Care Services (UK) Limited

## Directors' Report for the Year Ended 31 December 2022

The directors present their report and the unaudited financial statements for the year ended 31 December 2022.

This report should be read in conjunction with the strategic report on page 2. The company has chosen in accordance with Section 414C(ii) of the Companies Act 2006 to set out in the strategic report the following which the directors believe to be of strategic importance:

- Business review;
- Principal risks and uncertainties; and
- Statements in relation to how directors have engaged with employees, suppliers, customers and others in a business relationship with the company.

### Principal activity

The principal activity of the company is care delivery.

### Directors' of the company

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

David Hall - Company secretary and director

Jim Lee

Rebekah Cresswell

### Dividends

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

### Financial instruments

The company's operations mean that it is exposed to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The directors monitor the risks in order to limit the adverse effects on the financial performance by reviewing levels of debt finance and the related finance costs, however these are integrated with the risks of the group and not managed separately. Accordingly, the financial risk management policies of Priory Group UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### Employee involvement

The directors recognise that the continued position of the company in this sector depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important and throughout the business it is the directors' policy to promote the understanding by employees of the company's business aims, performance and individual opportunities for personal and career development. This is achieved through internal publications, presentations on performance and a variety of other approaches appropriate for a particular location. Employees are consulted on issues through the "Your Say" forum. Employees have a personal development plan that is monitored, assessed and modified during the annual appraisal process.

The directors monitor the results of staff surveys, both regular and ad hoc, together with employee forums, to enable them to discuss human resourcing matters with the interests of the workforce at heart. Annual salary reviews are undertaken with reference to the importance of employee retention, changes in the National Living Wage, and commercial factors. The directors are committed to communicating the results of any wage reviews in a transparent manner.

## **Health & Care Services (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

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

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the company's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of and to arranged appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

#### **Future developments**

The future developments of the company are aligned to the strategy of the UK group, headed by Priory Group UK 1 Limited. The group's strategy for the future development of the business is included in the group's financial statements, which do not form part of this report.

#### **Going concern**

The intermediate parent company, Priory Group UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Approved by the Board on 31 July 2023 and signed on its behalf by:

*David Hall*

.....  
David Hall  
Company secretary and director

## **Health & Care Services (UK) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- *make judgements and accounting estimates that are reasonable and prudent;*
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## Health & Care Services (UK) Limited

### Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Turnover		-	-
Cost of sales		<u>(1)</u>	<u>(6)</u>
Operating loss	4	(1)	(6)
Other interest receivable and similar income	5	<u>2</u>	<u>1</u>
Profit/(loss) before tax		1	(5)
Tax on profit/(loss) on ordinary activities	7	<u>(59)</u>	<u>(100)</u>
Loss for the year		<u>(58)</u>	<u>(105)</u>

The above results were derived from continuing operations.

The notes on pages 10 to 19 form an integral part of these financial statements.



## Health & Care Services (UK) Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Loss for the year		<u>(58)</u>	<u>(105)</u>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Actuarial gain or loss on defined benefit pension schemes		73	25
Income tax effect		<u>(18)</u>	<u>(10)</u>
		<u>55</u>	<u>15</u>
Total comprehensive income for the year		<u><u>(3)</u></u>	<u><u>(90)</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

## Health & Care Services (UK) Limited

(Registration number: 02083074)

### Balance Sheet as at 31 December 2022


	Note	2022 £ 000	2021 £ 000
<b>Current assets</b>			
Debtors	8	9,813	9,863
Cash at bank and in hand		<u>1</u>	<u>-</u>
		9,814	9,863
<b>Creditors: Amounts falling due within one year</b>	9	<u>(171)</u>	<u>(137)</u>
<b>Total assets less current liabilities</b>		9,643	9,726
<b>Provisions for liabilities</b>	7	<u>-</u>	<u>(5)</u>
<b>Net assets excluding pension asset</b>		9,643	9,721
Net pension asset	10	<u>154</u>	<u>79</u>
<b>Net assets</b>		<u>9,797</u>	<u>9,800</u>
<b>Capital and reserves</b>			
Called up share capital	11	601	601
Share premium reserve		177	177
Profit and loss account		<u>9,019</u>	<u>9,022</u>
Shareholders' funds		<u>9,797</u>	<u>9,800</u>

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 31 July 2023 and signed on its behalf by:



Jim Lee

Director

The notes on pages 10 to 19 form an integral part of these financial statements.

## Health & Care Services (UK) Limited

### Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	601	177	9,022	9,800
Loss for the year	-	-	(58)	(58)
Other comprehensive income	-	-	55	55
Total comprehensive income	-	-	(3)	(3)
At 31 December 2022	<u>601</u>	<u>177</u>	<u>9,019</u>	<u>9,797</u>

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	<u>601</u>	<u>177</u>	<u>9,112</u>	<u>9,890</u>
Loss for the year	-	-	(105)	(105)
Other comprehensive income	-	-	15	15
Total comprehensive income	-	-	(90)	(90)
At 31 December 2021	<u>601</u>	<u>177</u>	<u>9,022</u>	<u>9,800</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

# **Health & Care Services (UK) Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022**

### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

Fifth Floor  
80 Hammersmith Road  
London  
W14 8UD  
United Kingdom

These financial statements were authorised for issue by the Board on 31 July 2023.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements are presented in sterling, rounded to the nearest thousand.

#### **Summary of disclosure exemptions**

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies (the company had no other related party transactions); and
- Roll-forward reconciliations in respect of share capital (IAS 1) and property, plant and equipment (IAS 16).

# Health & Care Services (UK) Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

### 2 Accounting policies (continued)

#### Going concern

The intermediate parent company, Priory Group UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

#### Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Payment is generally made for group relief at the current tax rate at the time of first estimating the tax provision. To the extent that amendments are subsequently made to the group relief plan, there is generally no payment or receipt in respect of the change.

#### Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

##### Asset class

Freehold buildings  
Short leasehold land and buildings  
Fixture and fittings  
Motor vehicles

##### Depreciation method and rate

over 50 years  
over the lease term  
over 3 to 16 years  
over shorter of the lease term and 4 years

## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Trade creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### Impairment of non-financial assets

Property, plant and equipment is tested for impairment by management when a trigger event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from an income-generating unit, which is an individual business operational unit.

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### Defined benefit pension obligation

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets.

Where the calculation of the net balance of plan assets and plan obligations results in a benefit to the company, the recognised asset is limited to the present value of any available future refunds from the plan or reductions in future contributions to the plan.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and have terms approximating to the estimated period of future payments.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period which they arise. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. The cost is recognised in profit or loss as a finance expense.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## **Health & Care Services (UK) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Trade debtors**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period then ended. Management bases its estimates on historical experience and various other assumptions that are considered to be reasonable in the particular circumstances. Actual results may differ from these estimates.

Estimates are used in accounting for allowances for uncollected receivables, depreciation, taxes and contingencies. Estimates and assumptions are reviewed periodically and the effects of the revision are reflected in the financial statements in the period that an adjustment is determined to be required.

Significant accounting judgements have been applied with respect to the valuation of deferred tax assets. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 4 Operating loss

Arrived at after charging/(crediting)

	2022 £ 000	2021 £ 000
Depreciation on right of use assets	<u>-</u>	<u>5</u>

#### 5 Other interest receivable and similar income

	2022 £ 000	2021 £ 000
Other finance income	<u>2</u>	<u>1</u>

#### 6 Directors' remuneration

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. No amounts have been recharged to the company in respect of the directors' services and the directors do not believe that it is practical to allocate these costs between group companies.

#### 7 Income tax

Tax charged/(credited) in the profit and loss account

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax	147	111
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>(88)</u>	<u>(11)</u>
Tax expense in the profit and loss account	<u>59</u>	<u>100</u>



## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 7 Income tax (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%),

The differences are reconciled below:

	<b>2022</b> <b>£ 000</b>	<b>2021</b> <b>£ 000</b>
Profit/(loss) before tax	<u>1</u>	<u>(5)</u>
Corporation tax at standard rate	-	(1)
Increase from transfer pricing adjustments	166	107
Deferred tax credit from unrecognised temporary difference from a prior period	(76)	(13)
Deferred tax credit relating to changes in tax rates or laws	(3)	(4)
Increase from effect of rollover relief on profit on disposal of fixed assets	-	11
Other tax effects for reconciliation between accounting profit and tax income	<u>(28)</u>	<u>-</u>
Total tax charge	<u><u>59</u></u>	<u><u>100</u></u>

Finance Bill 2021 was substantively enacted on 24 May 2021; this legislation increases the main rate of corporation tax to 25% with effect from 1 April 2023. The deferred tax liability has been calculated at 25% (2021: 25%), reflecting the period in which the temporary differences that give rise to deferred tax will reverse.

#### Deferred tax

Deferred tax assets and liabilities

	<b>Asset</b> <b>£ 000</b>	<b>Liability</b> <b>£ 000</b>	<b>Net deferred tax</b> <b>£ 000</b>
<b>2022</b>			
Accelerated tax depreciation	54	-	54
Pension benefit obligations	-	(38)	(38)
Other items	<u>49</u>	<u>-</u>	<u>49</u>
	<u><u>103</u></u>	<u><u>(38)</u></u>	<u><u>65</u></u>
<b>2021</b>			
Accelerated tax depreciation	-	(34)	(34)
Pension benefit obligations	-	(20)	(20)
Other items	<u>49</u>	<u>-</u>	<u>49</u>
	<u><u>49</u></u>	<u><u>(54)</u></u>	<u><u>(5)</u></u>

## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 7 Income tax (continued)

Deferred tax movement during the year:

	At 1 January 2022 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2022 £ 000
Accelerated tax depreciation	(34)	88	-	54
Pension benefit obligations	(20)	-	(18)	(38)
Other items	49	-	-	49
	<u>(5)</u>	<u>88</u>	<u>(18)</u>	<u>65</u>

Deferred tax movement during the prior year:

	At 1 January 2021 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	(21)	(13)	-	(34)
Pension benefit obligations	(10)	-	(10)	(20)
Other items	25	24	-	49
	<u>(6)</u>	<u>11</u>	<u>(10)</u>	<u>(5)</u>

#### 8 Trade and other debtors

	2022 £ 000	2021 £ 000
Debtors from related parties	9,748	9,863
Deferred tax assets	65	-
Total current trade and other debtors	<u>9,813</u>	<u>9,863</u>

Debtors from related parties are unsecured, non-interest bearing and repayable on demand.

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

	2022 £ 000	2021 £ 000
Social security and other taxes	24	24
Other creditors	-	2
Income tax liability	<u>147</u>	<u>111</u>
	<u>171</u>	<u>137</u>

## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 10 Pension and other schemes

##### Defined benefit pension schemes

##### Health & Care Services (UK) Limited Pension and Life Assurance Scheme

The company operates a defined benefit pension scheme, the 'Health & Care Services (UK) Limited Pension and Life Assurance Scheme' for staff at one of its homes. The scheme is professionally valued tri-annually, under the projected unit method.

Contributions payable to the pension scheme at the end of the year are £Nil (2021 - £Nil).

The expected contributions to the plan for the next reporting period are £Nil.

The scheme was most recently valued on 10 November 2019. The valuation was carried out by Legal & General Assurance Society, independent consulting actuaries.

The surplus at 31 December 2022 and 31 December 2021 has been recognised in the company's accounts as, in the view of the directors, the company will be able to recover this amount through future reductions in employer contributions.

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the balance sheet are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Fair value of scheme assets	1,262	1,945
Present value of scheme liabilities	<u>(1,108)</u>	<u>(1,866)</u>
Defined benefit pension scheme surplus	<u>154</u>	<u>79</u>

##### *Scheme assets*

Changes in the fair value of scheme assets are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Actuarial gains and losses</b>		
Fair value at start of year	1,945	1,981
Interest income	37	26
Changes in secured pensioners value	(672)	(71)
Actuarial gains and losses	<u>(48)</u>	<u>9</u>
Fair value at end of year	<u>1,262</u>	<u>1,945</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 10 Pension and other schemes (continued)

##### *Scheme liabilities*

Changes in the present value of scheme liabilities are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Present value at start of year	1,866	1,928
Actuarial gains and losses arising from changes in financial assumptions	(120)	(15)
Actuarial gains and losses arising from experience adjustments	(1)	(1)
Change in secured pensioners value	(672)	(71)
Interest cost	35	25
Present value at end of year	<u>1,108</u>	<u>1,866</u>

##### *Principal actuarial assumptions*

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the balance sheet date are as follows:

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate	4.90	1.90
Future pension increases	3.00	3.25
Inflation	3.15	3.35
Commutation of pension	75.00	75.00
Pension increase in deferment	<u>2.75</u>	<u>2.75</u>

##### *Post retirement mortality assumptions*

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Current UK pensioners at retirement age - male	25.60	25.60
Current UK pensioners at retirement age - female	27.80	27.80
Future UK pensioners at retirement age - male	26.90	26.90
Future UK pensioners at retirement age - female	<u>29.10</u>	<u>29.10</u>

##### *Amounts recognised in the profit and loss account*

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Amounts recognised in finance income or costs</b>		
Net interest	<u>(2)</u>	<u>(1)</u>
Total recognised in the income statement	<u>(2)</u>	<u>(1)</u>

## Health & Care Services (UK) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

#### 10 Pension and other schemes (continued)

*Amounts taken to the Statement of Comprehensive Income*

	2022 £ 000	2021 £ 000
Actuarial gains and losses arising from changes in financial assumptions	120	15
Actuarial gains and losses arising from experience adjustments	1	1
Return on plan assets, excluding amounts included in interest income/(expense)	(48)	9
Amounts recognised in the Statement of Comprehensive Income	<u>73</u>	<u>25</u>

#### 11 Share capital

**Allotted, called up and fully paid shares**

	No. 000	2022 £ 000	No. 000	2021 £ 000
Ordinary shares of £1 each	<u>601</u>	<u>601</u>	<u>601</u>	<u>601</u>

#### 12 Parent and ultimate parent undertaking

The company's immediate parent is Amore Care (Holdings) Limited.

The ultimate parent is Rehab and Mental Healthcare Group B.V..

The parent of the largest group in which these financial statements are consolidated is Median B.V., incorporated in the Netherlands. The address of Median B.V. is Basisweg 10, 1043 AP, Amsterdam, the Netherlands.

The parent of the smallest group in which these financial statements are consolidated is Priory Group UK 1 Limited incorporated in the United Kingdom. The address of Priory Group UK 1 Limited is Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.

The ultimate controlling party is considered to be Waterland Private Equity by virtue of the company's ultimate parent company being majority owned by funds under the ownership and control of Waterland Private Equity.