Registered number: 06730985

GCCUK LEASING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

GCCUK LEASING LIMITED

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GCCUK LEASING LIMITED

COMPANY INFORMATION

Directors	R Briggs J C Hely
Company secretary	N Brookes
Registered number	06730985
Registered office	Wilson House Waterberry Drive Waterlooville Hampshire PO7 7XX United Kingdom
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Savannah House 3 Ocean Way Ocean Village Southampton SO14 3TJ
Bankers	HSBC 8 Canada Square Canary Wharf London E14 5HQ

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report and the audited financial statements of GCCUK Leasing Limited ("the Company") for the year ended 30 June 2022.

This report has been prepared in accordance with the special provisions of section 414b of the Companies Act 2006 relating to small companies. The Directors have taken exemption under this regime not to disclose a strategic report.

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:

R Briggs (appointed 22 February 2022)
N C Budden (resigned 1 December 2021)
J C Hely

Company Secretary

N E Brookes

Principal activity

The principal activity of the Company is that of leasing clinical equipment.

Review of the business

Business review
The total comprehensive income for the financial year amounted to £477,000 (2021: £1,657,000). Net assets at 30 June 2022 totalled £3,832,000 (2021: £3,355,000). No dividends were declared or paid during the financial year (2021: £nil).

Future developments
The Company is expected to continue its principal activity, being the leasing of clinical equipment.

Principal risks and uncertainties
From the perspective of the Company, the principal risks and uncertainties arising from its activities are integrated with the principal risks of the group of companies headed up by Genesis Care Pty Limited ('the Group') and not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the Strategic report of the Genesis Care Pty Limited consolidated financial statements, a copy of which can be obtained from the address in the note 15 of these financial statements or from www.asic.gov.au.

Financial risk review
The Company's operations expose it to a variety of financial risks that include liquidity risk, credit risk and interest rate risk.

Credit risk
The Company is exposed to credit risk to the extent of intercompany balances within the Group. It does not have an external customer base.

Liquidity risk
The Company has intercompany creditors which are repayable on demand. The Company has limited external creditors, apart from HMRC. The Company has access to funding from Group as required to cover projected operating cash flows.

Interest rate risk
The Company is subject to interest rate risk on interest bearing amounts owed to Group undertakings. The Company endeavors to maintain any interest-bearing agreements at fixed rates to ensure certainty of future interest cash flows, and floating rates are monitored.

Going concern

The Company is in a net current liabilities position as a result of intercompany loans that are repayable on demand to other members of the Genesis Care Pty Limited Group.

On 1 June 2023 Genesis Care Pty Limited and 52 affiliated companies (collectively, the "Debtor Group") each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). For clarity, this filing did not include GCCUK Leasing Limited, but did include entities within the Group with which the Company trades as part of its ordinary course of business, or entities which are material creditors to the Company. There are significant uncertainties inherent in the bankruptcy process.

On 5 June 2023 Genesis Care Pty Limited announced that as part of its restructuring process the Debtor Group has secured commitments for a debtor-in-possession (DIP) financing facility providing US$200 million in new money from existing lenders to support its business operations. This facility will allow the Genesis Care Pty Limited Group ("the Group") to continue meeting its obligations across the entire enterprise, while financially restructuring and reorganising the business. This comprehensive transformation process is intended to position the business for long-term growth. During the restructuring, the Group intends to operate in the ordinary course without disruption to patient care. Regarding the Company specifically, it is continuing to operate in the ordinary course without disruption to its trading activities. This is due to its intercompany creditors having no current intention to demand the repayments of the entity's loans.

As part of the business transformation, Genesis Care Pty Limited also announced its intention to explore separation of its US business from its businesses in Australia, Spain, and the UK, creating two platforms. On 19 July 2023, the Court entered an order approving the bidding procedures in connection with the sale of the assets associated with the US business.

The Board of Genesis Care Pty Limited have implemented, and will continue to implement, various measures to preserve liquidity. However, until such time that the Debtor Group emerges from Chapter 11 and the impact on the intercompany balances and cross guarantees held by companies within the Debtor Group becomes clear, significant doubt remains over those companies' ability to continue as going concerns and therefore to entities, such as the Company, who hold intercompany balances with companies within the Debtor Group.

In addition, there is a theoretical risk that the Debtor Group does not emerge from Chapter 11, or does so in a way that adversely affects the Company due to the impact on intercompany balances.

The directors anticipate that post the Chapter 11 process, due to the way the Company is financed via intercompany loans, funding may be required from another Group company to ensure that the Company can meet its obligations as they fall due. As a result of the ongoing Chapter 11 process, no such funding commitments are in place at this time.

These circumstances indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that would result if the Company were unable to continue as a going concern.

Directors' liabilities

The Directors have the benefit of an indemnity covered by insurance which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The Company has granted this indemnity in favour of the Directors of the Company as is permitted by Section 232-235 of the Companies Act 2006. The indemnity was in force during the full financial year and up to the date of approval of the financial statements.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Statement of Directors' Responsibilities (continued)

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

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

Approved by the Board of Directors on 20 October 2023 and signed on its behalf by:

....

R Briggs
Director

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Independent auditors' report to the members of GCCUK Leasing Limited

Report on the audit of the financial statements

Opinion

In our opinion, GCCUK Leasing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2022; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. On 1 June 2023 Genesis Care Pty Limited and 52 affiliated companies (collectively, the "Debtor Group") each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. For clarity, this filing did not include GCCUK Leasing Limited, but did include entities within the Group with which the Company trades as part of its ordinary course of business, or entities which are material creditors to the Company. There are significant uncertainties inherent in the bankruptcy process. Given the uncertainty over the ability of Debtor Group to emerge from the Chapter 11 process, and until such a time as the impact on the intercompany balances and cross guarantees held by companies within the Debtor Group becomes clear, significant doubt remains over those companies' ability to continue as going concerns, and therefore the ability of the Company to continue as a going concern. In addition, there is a theoretical risk that the Debtor Group does not emerge from Chapter 11, or does so in a way that adversely affects the Company due to the impact on intercompany balances. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to improve profitability. Audit procedures performed by the engagement team included:

- discussions with management, including inquiring of known or suspected instances of non-compliance with laws and regulation and fraud, and review of board minutes
- identifying and testing journal entries posted, such as those with unusual account combinations and;
- challenging assumptions and judgements made by management when preparing accounting estimates, in particular any which involve the assessment of future events, which are inherently uncertain

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Sam Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
24 October 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £'000	2021 £'000
Turnover	4	**1,426**	1,327
Gross profit		**1,426**	1,327
Administrative expenses		**(465)**	(1,020)
Operating profit	5	**961**	307
Interest payable and similar expenses	7	**(383)**	(454)
Profit/ (loss) before tax		**578**	(147)
Tax on profit / loss	8	**(101)**	1,804
Profit for the financial year		**477**	1,657
Total comprehensive income for the year		**477**	1,657

The above results were derived from continuing operations.

The notes on pages 11 to 20 form an integral part of these financial statements.

Registered number: 06730985
BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Tangible assets	9	**1,649**	3,289
Deferred Taxation	8	**6,395**	4,754
		8,044	8,043
Current assets			
Debtors: amounts falling due after more than one year	10	**10,569**	16,331
Debtors: amounts falling due within one year	10	**8,961**	7,193
Cash at bank and in hand	11	**5**	1,575
		19,535	25,099
Total assets		**27,579**	33,142
Creditors: amounts falling due within one year	12	**(23,747)**	(29,787)
Net current liabilities		**(4,212)**	(4,688)
Total assets less current liabilities		**3,832**	3,355
Net assets		**3,832**	3,355
Capital and reserves			
Called up share capital	13	**-**	-
Profit and loss account		**3,832**	3,355
Total shareholders' funds		**3,832**	3,355

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

The financial statements on pages 8 to 20 were approved by the Board of Directors on 20 October 2023 and signed on its behalf by:

....
R Briggs
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 July 2020	-	1,698	1,698
Profit and total comprehensive income for the financial year	-	1,657	1,657
Balance as at 30 June 2021	-	3,355	3,355
Balance as at 1 July 2021	**-**	**3,355**	**3,355**
Profit and total comprehensive income for the financial year	**-**	**477**	**477**
Balance as at 30 June 2022	**-**	**3,832**	**3,832**

The notes on pages 11 to 20 form an integral part of these financial statements.

1. General information

GCCUK Leasing Limited (the "Company") is engaged in the provision of leasing clinical equipment.

The Company is a private Company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Wilson House, Waterberry Drive, Waterlooville, Hampshire, PO7 7XX, United Kingdom.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, and accounting policies have been consistently applied to all the years presented, in accordance with the Companies Act 2006, as applicable to companies using FRS 101 Reduced Disclosure Framework.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Summary of disclosure exemptions

In these financial statements, the Company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7 - 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
  - paragraph 79(a)(iv) of IAS 1 (reconciliation of number of shares at the beginning and end of the period)
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment' (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
  - 10(d) (statement of cash flows); 10(f) (retrospective restatement of SOFP)
  - 16 (statement of compliance with all IFRS);
  - 38A (minimum of two primary statements, including cash flow statements);
  - 38B-D & 40A-D (additional comparative information)
  - 111 (cash flow statement information);
  - 134-136 (capital management disclosures)
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- Paragraphs 134(d) to (f) of IAS36 (impairment of assets)
- The following paragraphs of IFRS 15 - 'Revenue from contracts with customers'; pertaining to explanation of significant changes in contract assets and liabilities during the period.
  - 110 (nature, amount, timing and uncertainties of cash flows arising from contracts with customers);
  - 113(a) (separation of contract revenue from other revenue)
  - 114 - 115 (disaggregated revenue)
  - 118 (significant changes to contracts)
  - 119 (a-c); 120-127; (performance obligations)
  - 129 (practical expedients)

2. Accounting policies (continued)

Going concern

The Company is in a net current liabilities position as a result of intercompany loans that are repayable on demand to other members of the Genesis Care Pty Limited Group.

On 1 June 2023 Genesis Care Pty Limited and 52 affiliated companies (collectively, the "Debtor Group") each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). For clarity, this filing did not include GCCUK Leasing Limited, but did include entities within the Group with which the Company trades as part of its ordinary course of business, or entities which are material creditors to the Company. There are significant uncertainties inherent in the bankruptcy process.

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As part of the business transformation, Genesis Care Pty Limited also announced its intention to explore separation of its US business from its businesses in Australia, Spain, and the UK, creating two platforms. On 19 July 2023, the Court entered an order approving the bidding procedures in connection with the sale of the assets associated with the US business.

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In addition, there is a theoretical risk that the Debtor Group does not emerge from Chapter 11, or does so in a way that adversely affects the Company due to the impact on intercompany balances.

The directors anticipate that post the Chapter 11 process, due to the way the Company is financed via intercompany loans, funding may be required from another Group company to ensure that the Company can meet its obligations as they fall due. As a result of the ongoing Chapter 11 process, no such funding commitments are in place at this time.

These circumstances indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that would result if the Company were unable to continue as a going concern.

New standards, amendments and IFRS IC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 June 2022 that have a material impact on the Company's financial statements.

2. Accounting policies (continued)

Turnover

Recognition

The Company earns revenue from the provision of services relating to clinical equipment leases . The Company recognises revenue from the commencement of a new lease, on a month by month basis, until the lease expires.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the lessee company. The net investment in finance leases is included under debtors and represents the total amount outstanding under lease agreements less unearned income. Finance lease income is allocated to accounting periods to give a constant periodic rate of return on the net cash investment.

Operating leases are those where substantially all of the benefits and risks of ownership are assumed by the lessor. Rentals are charged to the profit and loss as they arise.

Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets in the course of construction are stated at cost less provision for impairment and transferred to completed assets when substantially all of the activities necessary for the assets to be ready for use have occurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

- Clinical equipment - 5-10 years
- Assets in the course of construction - Not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Financial Instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

2. Accounting policies (continued)

Financial assets
The Company classifies all of its financial assets as amortised cost.

Amortised cost
Financial assets classified as amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. Debtors), but also incorporate other types of contractual monetary asset.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets (continued)
Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For debtors, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the debtors will not be collected, the gross carrying value of the asset is written off against the associated provision with any difference being recognised within the Statement of Comprehensive Income.

Financial liabilities
The Company classifies all of its financial liabilities as liabilities at amortised cost.

Liabilities at amortised cost
Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

Trade creditors

Trade creditors are obligated to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs, where applicable, are initially recognised as a reduction in the proceeds of the associated capital instrument.

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.

2. Accounting policies (continued)

Tax (continued)

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.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements and estimates about the carrying value and useful life of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant.

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

There are no critical accounting estimates that the Directors consider to have a reasonable risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following is considered to be a critical judgement within the financial statements:

Deferred tax
Applicable accounting standards permit the recognition of deferred tax assets only to the extent that future taxable profits will be generated to utilise the deferred tax asset carried forward. The assessment of future taxable profits involves significant estimation uncertainty, principally relating to the assessment of management's projections of future taxable income based on business plans and on-gong tax planning strategies.

The Company is expected to continue to be profit making and as such whilst it will make use of group relief where available, the Directors consider there to be sufficient support for recognition of the deferred tax asset with a carrying value of £6,395,000 (2021: £4,754,000) which would be utilised in the situation that sufficient group relief is not available.

4. Turnover

Turnover is wholly attributable to the Company's principal continuing activity. All turnover arose within the United Kingdom.

	2022	2021
	£'000	£'000
Finance lease income	**1,166**	1,060
Operating lease income	**260**	267
	1,426	1,327

5. Operating profit

The operating profit is stated after charging:

	2022 £'000	2021 £'000
Impairment of tangible asset	-	535
Depreciation	199	198
Loss on disposal of tangible asset	10	-
Fees for the audit of the Company	8	7
Fees payable to the Company's auditors for taxation compliance services	4	-

6. Employees

All Directors during the financial year (2021: all Directors) were paid by other Group entities who did not recharge any costs to the Company (2021: nil). The Directors' services to the Company were considered incidental to their services to the Group and therefore no amounts have been included within these financial statements.

The Company had no employees (2021: nil).

7. Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest payable on Loans from Group undertakings	383	454

8. Tax on Profit / Loss

	2022 £'000	2021 £'000
UK Corporation tax on profits for the year	1,357	766
Adjustment in respect of prior years	384	-
	1,741	766
Deferred tax		
Origination and reversal of temporary differences	(1,245)	(1,179)
Adjustment in respect of prior years	-	(250)
Effect of changes in tax rates	(395)	(1,141)
Total deferred tax for the year	(1,640)	(2,570)
Tax on profit (loss)	101	(1,804)

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

8. Tax on Profit / Loss (continued)

The differences are reconciled below:

	2022 £'000	2021 £'000
Profit / (loss) before income tax	**578**	(147)
Profit / (loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**110**	(28)
Effects of:		
Adjustment in respect of prior years	**384**	(250)
Effects of group relief/ other relief	**-**	(385)
Tax rate changes	**(393)**	(1,141)
Total tax charge / (credit) for the year	**101**	(1,804)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

Deferred taxes at the balance sheet date have been measured using the rates enacted at the balance sheet date and are reflected within these financial statements. The impact on the financial statements was £1,641,000 increase in deferred tax asset.

	2022 £'000	2021 £'000
At beginning of year	**4,754**	2,184
Credited to the Income Statement	**1,641**	2,570
At end of year	**6,395**	4,754
The deferred taxation balance is made up as follows:		
Accelerated capital allowances	**6,395**	4,754
	6,395	4,754

Whilst the Company anticipates that it will generate taxable profits on an ongoing basis, it does not expect to utilise the recognised deferred tax asset balance in the next twelve months due to the expected availability of group relief from losses of other Group companies.

The deferred tax asset has been recognised on the basis that there is expected to be sufficient taxable profits available within the Company when group relief is no longer available.

9. Tangible assets

	Assets in the course of construction	Clinical Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 July 2021	2,039	1,983	4,022
Additions	302	-	302
Disposals	(2,278)	-	(2,278)
At 30 June 2022	**63**	**1,983**	**2,046**
Accumulated depreciation & impairment			
At 1 July 2021	535	198	733
Charge for the year	-	199	199
Disposals	(535)	-	(535)
At 30 June 2022	**-**	**397**	**397**
Net book value			
At 30 June 2022	**63**	**1,586**	**1,649**
At 30 June 2021	1,504	1,785	3,289

10. Trade and other debtors

	2022 £'000	2021 £'000
Amounts falling due after more than one year		
Net investment in finance leases	**10,569**	16,331
Amounts falling due within one year		
Trade debtors	**366**	298
Net investment in finance leases	**6,134**	6,309
Amounts due from Group undertakings	**1,688**	392
Tax recoverable	**-**	194
Deposits	**773**	-
	8,961	7,193

Amounts due from fellow Group undertakings are interest free, unsecured and are repayable on demand.

	2022 £'000	2021 £'000
Finance lease receivables – maturity analysis		
Year 1 payments due	**6,941**	7,461
Year 2 payments due	**5,265**	6,845
Year 3 payments due	**4,198**	5,169
Year 4 payments due	**1,835**	4,102
Year 5 payments due	**37**	1,738
Total amount receivable	**18,276**	25,315
Less: interest allocated to future periods	**(1,574)**	(2,675)
Net investment in finance leases	**16,702**	22,640

Rent receivable during the year under finance lease contracts amounted to £7,520,000 (2021: £6,533,000).

11. Cash at bank and in hand

	2022 £'000	2021 £'000
Cash at bank and in hand	**5**	1,575

12. Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	**940**	11
Amounts owed to Group undertakings	**21,610**	28,843
VAT payable	**228**	-
Accruals and contract liabilities	**969**	933
	23,747	29,787

12. Creditors: Amounts falling due within one year (continued)

Amounts owed to Group undertakings in the current and prior year are unsecured intercompany loans and repayable on demand. An interest rate of 3 month LIBOR plus 2% exists for loans from Genesis Cancer Care UK Limited. Following the cessation of LIBOR the Company will make reference to SONIA.

13. Called up share capital

Shares classified as equity **Authorised, issued and fully paid £1 shares**	**Number**	**£'000**
At 30 June 2021	1	-
At 30 June 2022	**1**	**-**

14. Related party transactions

The Company has taken advantage of the exemption in FRS 101 from disclosing transactions with members of a group provided that all subsidiaries which are party to the transaction are wholly owned by the same group.

15. Parent and ultimate parent undertaking

The immediate parent of the Company is Genesis Cancer Care UK Limited, a company incorporated in England, United Kingdom. Copies of the financial statements can be obtained from the Company Secretary at Wilson House, Waterberry Drive, Waterlooville, Hampshire, PO7 7XX, England, United Kingdom.

The ultimate parent undertaking of the Company is Genesis Care Pty Limited, a company incorporated in Australia which is the largest and smallest Group to consolidate these financial statements. Copies of the Genesis Care Pty Limited consolidated financial statements can be obtained from the Company Secretary at Building 1 & 11, The Mill, 41 – 43 Bourke Rd, Alexandria, New South Wales, Australia 2015 or from www.asic.gov.au.

Genesis Care Pty Limited has 2 large institutional shareholders - Asia Pacific Healthcare Investments Limited and Asia GCMIV holdings II PTE. Ltd – which together hold 66% of its issued ordinary shares, with the balance held by Doctor and Management shareholders. The Genesis Care Group results are not consolidated with any other party as no shareholder has control of the Group. As such there is no ultimate controlling party of the Company above Genesis Care Pty Limited.