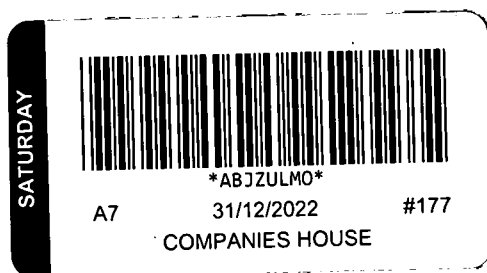


Registered number: 07139177

**NG Healthcare Limited**

Directors' Report and Financial Statements

For the Year Ended 31 March 2022



**DAINS**

## NG Healthcare Limited

### Company Information

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|                             |  |
|-----------------------------|--|
| <b>Directors</b>            | Mr M V Thomas<br>Mr S K Forrester  |
| <b>Company secretary</b>    | Mr M V Thomas  |
| <b>Registered number</b>    | 07139177   |
| <b>Registered office</b>    | Trentham Care Centre<br>Longton Road<br>Stoke on Trent<br>Staffordshire<br>ST4 8FF                                 |
| <b>Independent auditors</b> | Dains Audit Limited<br>Suite 2 Albion House<br>2 Etruria Office Village<br>Forge Lane<br>Stoke on Trent<br>ST1 5RQ |

# NG Healthcare Limited

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## NG Healthcare Limited

### Strategic Report For the Year Ended 31 March 2022

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#### Business review

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non complex nature of the business and is written in the context of the risks and uncertainties we face.

Following the group reorganisation with new parent company NGHC Group Ltd, the company continues to own the care centre land and buildings which are rented to its wholly owned subsidiary.

#### Principal risks and uncertainties

The business' principal financial instruments comprise bank balances and balances with Group and related undertakings. The main purpose of these instruments is to finance the business' operations. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

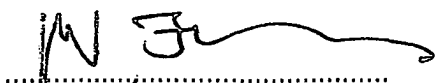
#### Rental payments

The company rents the land and buildings to its wholly owned subsidiary so by association it is faced with the same risks as those faced by the care sector and the performance of its operating company to maintain its profitability to service the rent.

#### Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the rent received and any interest costs incurred.

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



.....  
**Mr M V Thomas**  
Director

Date: 16 December 2022

## NG Healthcare Limited

### Directors' Report For the Year Ended 31 March 2022

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

#### Principal activity

The company's principal activity is that of an intermediate holding company.

#### Directors

The directors who served during the year were:

Mr M V Thomas  
Mr S K Forrester

#### Results and dividends

The profit for the year, after taxation, amounted to £181,406 (2021 - £1,482,422).

During the year dividends of £5,300,000 (2021 - £2,000,000) were paid.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NG Healthcare Limited**

**Directors' Report (continued)  
For the Year Ended 31 March 2022**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The directors, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....  
**Mr M V Thomas**  
Director

Date: 16 December 2022

**Independent Auditors' Report to the Members of NG Healthcare Limited**

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**Opinion**

We have audited the financial statements of NG Healthcare Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditors' Report to the Members of NG Healthcare Limited (continued)**

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**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.



Independent Auditors' Report to the Members of NG Healthcare Limited (continued)

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**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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

**Independent Auditors' Report to the Members of NG Healthcare Limited (continued)**

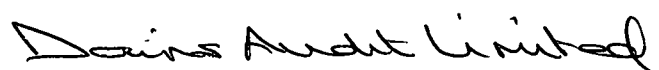
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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Dudley (Senior statutory auditor)

for and on behalf of  
**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Suite 2 Albion House  
2 Etruria Office Village  
Forge Lane  
Stoke on Trent  
ST1 5RQ

Date: *16 December 2022*

NG Healthcare Limited

Statement of Income and Retained Earnings  
For the Year Ended 31 March 2022

|   | Note | 2022<br>£        | 2021<br>£   |
|---|------|------------------|-------------|
| Administrative expenses                         |      | (173,157)        | (173,157)   |
| Other operating income                          | 4    | 500,000          | 2,100,000   |
| <b>Operating profit</b>                         | 5    | <b>326,843</b>   | 1,926,843   |
| Interest payable and expenses                   | 8    | (57,374)         | (62,783)    |
| <b>Profit before tax</b>                        |      | <b>269,469</b>   | 1,864,060   |
| Tax on profit                                   | 9    | (88,063)         | (381,638)   |
| <b>Profit after tax</b>                         |      | <b>181,406</b>   | 1,482,422   |
| Retained earnings at the beginning of the year  |      | 8,514,052        | 9,031,630   |
|   |      | 8,514,052        | 9,031,630   |
| Profit for the year                             |      | 181,406          | 1,482,422   |
| Dividends declared and paid                     |      | (5,300,000)      | (2,000,000) |
| <b>Retained earnings at the end of the year</b> |      | <b>3,395,458</b> | 8,514,052   |

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 22 form part of these financial statements.

**NG Healthcare Limited**  
Registered number: 07139177

**Balance Sheet**  
**As at 31 March 2022**


|   | Note | 2022<br>£               | 2021<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                         |                         |
| Tangible assets   | 11   | 7,501,327               | 7,674,452               |
| Investments   | 12   | 14,398,508              | 14,398,508              |
|   |      | <u>21,899,835</u>       | <u>22,072,960</u>       |
| <b>Current assets</b>                                   |      |                         |                         |
| Debtors: amounts falling due within one year            | 13   | 2,264,519               | 2,158,530               |
| Cash at bank and in hand                                |      | 3,849                   | 3,882                   |
|   |      | <u>2,268,368</u>        | <u>2,162,412</u>        |
| Creditors: amounts falling due within one year          | 14   | (19,235,490)            | (14,188,106)            |
| <b>Net current liabilities</b>                          |      | <u>(16,967,122)</u>     | <u>(12,025,694)</u>     |
| <b>Total assets less current liabilities</b>            |      | <u>4,932,713</u>        | <u>10,047,266</u>       |
| Creditors: amounts falling due after more than one year | 15   | (1,516,753)             | (1,516,753)             |
| <b>Provisions for liabilities</b>                       |      |                         |                         |
| Deferred tax  | 16   | (20,000)                | (15,959)                |
|   |      | <u>(20,000)</u>         | <u>(15,959)</u>         |
| <b>Net assets</b>                                       |      | <u><u>3,395,960</u></u> | <u><u>8,514,554</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                         |
| Called up share capital                                 | 17   | 502                     | 502                     |
| Profit and loss account                                 | 18   | 3,395,458               | 8,514,052               |
|   |      | <u><u>3,395,960</u></u> | <u><u>8,514,554</u></u> |

**NG Healthcare Limited**  
**Registered number:07139177**

**Balance Sheet (continued)**  
**As at 31 March 2022**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**Mr M V Thomas**  
Director

Date: *16 December 2022*

The notes on pages 11 to 22 form part of these financial statements.

## NG Healthcare Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### 1. General information

NG Healthcare Limited is a private company incorporated in England and Wales under the Companies Act. The address of the registered office is Trentham Care Centre, Longton Road, Stoke on Trent, Staffordshire, ST4 8FF.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NGHC Group Limited as at 31 March 2022 and these financial statements may be obtained from Trentham Care Centre, Longton Road, Stoke on Trent, Staffordshire, ST4 8FF.

##### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## NG Healthcare Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### 2. Accounting policies (continued)

##### 2.4 Going concern

The balance sheet of the company shows a net current liabilities position of £16,967,122 at the balance sheet date.

The consolidated balance sheet of NGHC Group Limited shows net assets of £7,691,932 at the balance sheet date and net current liabilities of £1,831,036 at the balance sheet date.

Having reviewed the ongoing performance of the company and group and the fact that £20,144,733 of the companies' creditors are due to related parties, the directors consider it appropriate to prepare the financial statements of NG Healthcare Limited on a going concern basis.

##### 2.5 Interest income

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

##### 2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.8 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.9 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as detailed below.

Depreciation is provided on the following basis:

|                   |                                     |
|-------------------|-------------------------------------|
| Freehold property | - Straight line basis over 50 years |
|-------------------|-------------------------------------|

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Freehold land is not depreciated.

**2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.11 Debtors**

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

**2.12 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.



**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.14 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.15 Dividends**

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

NG Healthcare Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2022

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

In the application of the accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

No significant judgements have had to be made by management in preparing these financial statements.

**4. Other operating income**

|                      | 2022<br>£      | 2021<br>£        |
|----------------------|----------------|------------------|
| Net rents receivable | 500,000        | 2,100,000        |
|                      | <u>500,000</u> | <u>2,100,000</u> |

**5. Operating profit**

The operating profit is stated after charging:

|                                       | 2022<br>£      | 2021<br>£      |
|---------------------------------------|----------------|----------------|
| Depreciation of tangible fixed assets | 173,125        | 173,125        |
|                                       | <u>173,125</u> | <u>173,125</u> |

**6. Auditors' remuneration**

|   | 2022<br>£    | 2021<br>£    |
|---|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 2,160        | 2,160        |
|   | <u>2,160</u> | <u>2,160</u> |

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**7. Employees**

The company has no employees (2021 - £nil).

NG Healthcare Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2022

8. Interest payable and similar expenses

|                             | 2022<br>£     | 2021<br>£     |
|-----------------------------|---------------|---------------|
| Other loan interest payable | 50,903        | 45,503        |
| Other interest payable      | 6,471         | 17,280        |
|                             | <u>57,374</u> | <u>62,783</u> |

9. Taxation

|  | 2022<br>£     | 2021<br>£      |
|--|---------------|----------------|
| <b>Corporation tax</b>                           |               |                |
| Current tax on profits for the year              | 84,022        | 386,978        |
| Adjustments in respect of previous periods       | -             | (4,879)        |
| <b>Total current tax</b>                         | <u>84,022</u> | <u>382,099</u> |
| <b>Deferred tax</b>                              |               |                |
| Origination and reversal of timing differences   | 4,041         | (461)          |
| <b>Total deferred tax</b>                        | <u>4,041</u>  | <u>(461)</u>   |
| <b>Taxation on profit on ordinary activities</b> | <u>88,063</u> | <u>381,638</u> |

NG Healthcare Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2022

9. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

|  | 2022<br>£      | 2021<br>£ |
|--|----------------|-----------|
| Profit on ordinary activities before tax   | <b>269,469</b> | 1,864,060 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | <b>51,199</b>  | 354,171   |
| <b>Effects of:</b>   |                |           |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | <b>32,345</b>  | 32,345    |
| Adjustments to tax charge in respect of prior periods  | -              | (4,878)   |
| Remeasurement of deferred tax  | <b>4,889</b>   | -         |
| Movement in deferred tax not recognised  | <b>(370)</b>   | -         |
| <b>Total tax charge for the year</b>   | <b>88,063</b>  | 381,638   |

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

10. Dividends

|                | 2022<br>£        | 2021<br>£ |
|----------------|------------------|-----------|
| Dividends paid | <b>5,300,000</b> | 2,000,000 |
|                | <b>5,300,000</b> | 2,000,000 |

NG Healthcare Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2022

11. Tangible fixed assets

|                                     | Freehold<br>property<br>£ |
|-------------------------------------|---------------------------|
| <b>Cost or valuation</b>            |                           |
| At 1 April 2021                     | 8,758,364                 |
| At 31 March 2022                    | 8,758,364                 |
| <b>Depreciation</b>                 |                           |
| At 1 April 2021                     | 1,083,912                 |
| Charge for the year on owned assets | 173,125                   |
| At 31 March 2022                    | 1,257,037                 |
| <b>Net book value</b>               |                           |
| At 31 March 2022                    | 7,501,327                 |
| At 31 March 2021                    | 7,674,452                 |

Included in freehold property is land at a valuation of £3,000,000 (2021 - £3,000,000) which is not depreciated.

NG Healthcare Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2022

12. Fixed asset investments

|                          | Investments<br>in<br>subsidiary<br>under-<br>takings<br>£ |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 April 2021          | 14,398,508  |
| At 31 March 2022         | 14,398,508  |
| <b>Net book value</b>    |   |
| At 31 March 2022         | 14,398,508  |
| At 31 March 2021         | 14,398,508  |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name                          | Principal activity                        | Class of<br>shares | Holding |
|-------------------------------|---|--------------------|---------|
| Nightingale Group Limited     | Operation of a<br>specialised care centre | Ordinary           | 100%    |
| Restfold Nursing Home Limited | Dormant                                   | Ordinary           | 100%    |

13. Debtors

|                                    | 2022<br>£        | 2021<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 2,264,517        | 2,158,528        |
| Other debtors                      | 2                | 2                |
|                                    | <u>2,264,519</u> | <u>2,158,530</u> |

**NG Healthcare Limited**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**14. Creditors: Amounts falling due within one year**

|                                    | <b>2022</b>              | <b>2021</b>       |
|------------------------------------|--------------------------|-------------------|
|                                    | <b>£</b>                 | <b>£</b>          |
| Amounts owed to group undertakings | <b>18,627,980</b>        | 13,327,980        |
| Corporation tax                    | <b>471,000</b>           | 769,119           |
| Other creditors                    | <b>1</b>                 | 1                 |
| Accruals and deferred income       | <b>136,509</b>           | 91,006            |
|                                    | <u><b>19,235,490</b></u> | <u>14,188,106</u> |

**15. Creditors: Amounts falling due after more than one year**

|   | <b>2022</b>             | <b>2021</b>      |
|---|-------------------------|------------------|
|   | <b>£</b>                | <b>£</b>         |
| Amounts owed to related party undertaking (see note 20) | <b>1,516,753</b>        | 1,516,753        |
|   | <u><b>1,516,753</b></u> | <u>1,516,753</u> |

# NG Healthcare Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 16. Deferred taxation

|                                      | 2022<br>£       | 2021<br>£       |
|--------------------------------------|-----------------|-----------------|
| At beginning of year                 | (15,959)        | (16,420)        |
| (Charged)/credited to profit or loss | (4,041)         | 461             |
| <b>At end of year</b>                | <b>(20,000)</b> | <b>(15,959)</b> |

The provision for deferred taxation is made up as follows:

|                                | 2022<br>£       | 2021<br>£       |
|--------------------------------|-----------------|-----------------|
| Accelerated capital allowances | (20,000)        | (16,420)        |
| Timing differences             | -               | 461             |
|                                | <b>(20,000)</b> | <b>(15,959)</b> |

### 17. Share capital

|   | 2022<br>£  | 2021<br>£  |
|---|------------|------------|
| <b>Allotted, called up and fully paid</b>             |            |            |
| 502 (2021 - 502) Ordinary Shares shares of £1.00 each | <b>502</b> | <b>502</b> |

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

### 18. Reserves

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 19. Contingent liabilities

The company has a joint and several guarantee with NGHC Group Limited, its ultimate parent undertaking, in respect of that company's bank borrowings. The bank also has a fixed and floating charge over all the assets of NG Healthcare Limited. The maximum value of the contingent liability at the balance sheet date is equal to the value of bank borrowings in NGHC Group Limited at 31 March 2022 which amounted to £11,266,667 (2021 - £12,133,333).



## NG Healthcare Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### **20. Related party transactions**

The company is a wholly owned subsidiary of NGHC Group Limited. Accordingly, the company has taken advantage of the exemption under section 33 of FRS 102 from disclosing transactions with other members of the Group.

The following transactions have been recorded in relation to an entity under the common control of the shareholders. During the year the company was charged interest of £45,503 (2021 - £45,503) by the connected party on loan balances due. As at the year end the loan balance outstanding with the connected party amounted to £1,516,753 (2021 - £1,516,753) and a further balance of £136,509 (2021 - £91,006) was outstanding in relation to accrued interest.

#### **21. Controlling party**

The ultimate parent undertaking at the balance sheet date is NGHC Group Limited which is the largest and the smallest group for which consolidated accounts are prepared. The registered office of NGHC Group Limited is Trentham Care Centre, Longton Road, Stoke on Trent, Staffordshire, ST4 8FF.

The directors do not consider there to be an ultimate controlling party.