

Registration number: 10787931

Practice Plus Group Holdings Limited

(formerly Care UK Healthcare Holdings Limited)

Annual Report and Financial Statements

for the Year Ended 30 September 2021

FRIDAY



AB3F7U62

A06

06/05/2022

#80

COMPANIES HOUSE

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 7
Statement of Directors' Responsibilities	8
Independent Auditor's Report to the members of Practice Plus Group Holdings Limited	9 to 12
Profit and Loss Account	13
Balance Sheet	14 to 15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 to 49

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Company Information

Directors	James Easton David Stickland
Company secretary	Lee Gage
Registered office	Hawker House, 5-6 Napier Court, Napier Road, Reading, Berkshire, RG1 8BW
Auditor	KPMG LLP Chartered Accountants, 66 Queen Square, Bristol, BS1 4BE

Strategic Report for the Year Ended 30 September 2021

The Directors present the Strategic report, Directors' report and Financial Statements for the year ended 30 September 2021.

Principal activity

The principal activity of the Company is the provision of central and support services to subsidiaries who provide healthcare services both to the public sector and to the private sector.

Review of the business

The Company is an intermediary holding company. The Company's results, together with its subsidiaries are included in the consolidated Financial Statements of Practice Plus Group Topco Limited ("Practice Plus Group" or "Group") for the year ended 30 September 2021. Due to the nature of its activities, the Company does not generate any revenue but does incur operating expenses and depreciation in the course of providing administration and central support services which it fully recharges to its subsidiaries.

As a holding company, there are not considered to be any key performance indicators of note.

At Practice Plus Group, our vision is to deliver "Access to Excellence". We strive to practice exceptional healthcare every day, growing responsibly so that we can help more people. Our services are chosen and trusted by patients and NHS Commissioners, and are easily available to all. We are driven by innovation and proudly deliver through expert colleagues working together as a team.

Our values are:

- We treat patients and each other as we would like to be treated
- We act with integrity
- We embrace diversity
- We strive to do things better together

Principal risks and uncertainties

The Board of Directors has overall responsibility for the Company's approach to assessing and managing risk. The senior leadership team is responsible for implementation of the policies and ensuring compliance. The divisional management teams are responsible for maintaining appropriate control environments. The principal risks faced by the Company are set out below:

Liquidity risk

The Company has access to a Revolving Credit Facility which is available to manage any working capital requirements. A policy of prudent liquidity risk management is applied with detailed cashflow forecasts prepared on a weekly basis to ensure sufficient liquidity headroom is managed. There are covenants relating to this facility which the Group must adhere to which is managed by careful cashflow planning and monitoring of all compliance deadlines and ensuring a good working relationship with our bankers.

Inflation risk

The Company is exposed to general and industry specific wage inflation pressures, including legislative changes concerning the minimum wage, national living wage and apprenticeship levy. In addition, the impact of Brexit on sterling has resulted in a number of price increases for the medical consumables and pharmacy items utilised in the provision of our services. This is mitigated by careful cost control.

Strategic Report for the Year Ended 30 September 2021 (continued)

Company employees

The Group is an equal opportunities employer and we welcome applications from every sector of the community. It is our policy that people with disabilities should have full and fair consideration for all vacancies, and where necessary we will make reasonable adjustments to ensure that this happens. During the year, the Group continued to demonstrate commitment to interviewing those people with disabilities who fulfil the minimum criteria, and endeavouring to retain employees in the workforce if they become disabled during employment. We depend on the skills and commitment of our employees to maintain a successful and vibrant organisation. Our training meets not only statutory and mandatory standards, but we also ensure that we cover our customer service objectives and our values programme fulfilling lives.

The Group's selection, training, development and promotion policies ensure equal opportunities for all employees regardless of factors such as gender, marital status, race, age, sexual preference and orientation or ethnic origin. All decisions are based on merit and we believe that to be truly successful we must reflect the diversity of the communities that we serve. Internal communications are designed to ensure that employees are well informed about the business of the Company, and we undertake an annual employee survey to understand the opinions of all our people.

It is Group policy to give fair consideration to the employment needs of disabled people to comply with current legislation with regard to disabled persons and, wherever practicable, to continue to employ and promote the careers of existing employees, who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitude and abilities.

Social and community issues

The main social and community issues faced by the Company include enabling more disadvantaged members to have access to our expertise and to our services, as well as considering how we can have a positive impact on our local social and business community. The ways in which we can achieve this include the following:

- Participating in the Department of Health's initiative to establish primary and other care (GP) services in under-doctored areas e.g. the Equitable Access scheme and urban walk in centres.
- Employee participation in local community help schemes
- Employee participation in national charity fundraising events
- 'Matched Funding - Working in The Community' scheme, whereby every year, hundreds of employees take part in fundraising for their favourite charities.
- 'Give as You Earn' (GAYE) payroll charity donations.
- Annual fund raising events (e.g. the BBC 'Children in Need' appeal).

Respect for human rights

We respect human rights and we have a zero tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships. We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains.

Anti-corruption and anti-bribery matters

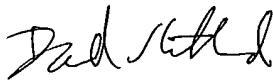
It is our policy to conduct all of our business in an honest and ethical way. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

Strategic Report for the Year Ended 30 September 2021 (continued)

COVID-19

During the year, the global COVID-19 pandemic has had a significant impact across a number of different industries and sectors, particularly the healthcare sector. Given the nature of the Company's current operations and activities, the virus has not created any additional risks for this specific company and is not expected to impact on the Company's activities going forward.

Approved by the Board on 25 April 2022 and signed on its behalf by:



.....
David Stickland
Director

Directors' Report for the Year Ended 30 September 2021

The Directors present their Directors' report and Financial Statements for the year ended 30 September 2021.

Change of company name

The company changed its name from Care UK Healthcare Holdings Limited to Practice Plus Group Holdings Limited effective from 2 October 2020.

Directors of the Company

The Directors, who held office during the year, were as follows:

James Easton

David Stickland

Dividends

The Company has paid £nil dividends during the year (2020: £113,555k). In the prior year, £9,000k of the dividend was settled in cash with the balance used to settle amounts payable to the Company's shareholder prior to the change in shareholder which occurred in October 2019.

Information included in the Strategic Report

The review of business is noted in the Strategic Report.

Political donations

The Company made £nil political donations during the year (2020: £nil).

Charitable donations

During the year the Company made £nil political donations during the year (2020: £nil) and charitable donations of £5,212 (2020: £4,697).

Future developments

The Company is expected to maintain its investment portfolio and will continue to provide support services to its subsidiary undertakings.

Directors' Report for the Year Ended 30 September 2021 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

- The Company recharges all of its operating costs to subsidiaries within the Group, however it is reliant on cashflows from its subsidiaries and Group support.
- The Directors have prepared cashflow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account any reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate parent company, Practice Plus Group Topco Limited to meet its liabilities as they fall due for that period.
- Those forecasts are dependent on various subsidiary undertakings not seeking repayment of the amounts currently due, which at 30 September 2021 amounted to £127.2m, and providing additional financial support during that period. Practice Plus Group Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other Group entities for support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors' liabilities

There were qualifying third-party indemnity provisions in place for the benefit of all Directors of the Group during the financial period and as at the date of approval of these financial statements.

Disclosure of information to the Auditor


Each Director has taken 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 Auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the Auditor is unaware.

Directors' Report for the Year Ended 30 September 2021 (continued)

Reappointment of auditors

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 25 April 2022 and signed on its behalf by:



.....
David Stickland
Director
Hawker House,
5-6 Napier Court,
Napier Road,
Reading,
Berkshire
RG1 8BW

Statement of Directors' Responsibilities in respect of Strategic Report, Directors' Report and the Financial Statements

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 they have elected to prepare both the group and the parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Practice Plus Group Holdings Limited

Opinion

We have audited the financial statements of Practice Plus Group Holdings Limited (the 'Company') for the year ended 30 September 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

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

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

Independent Auditor's Report to the Members of Practice Plus Group Holdings Limited (continued)

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to Practice Plus Group Top Co Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the Directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying and testing journal entries based on risk criteria and comparing the identified entries supporting documentation. These included those posted by individuals who typically do not make journal entries, journals containing key words and and unusual or unexpected account combinations with Cash and borrowings; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

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

This Company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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

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

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

Independent Auditor's Report to the Members of Practice Plus Group Holdings Limited (continued)

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

Auditor's responsibilities

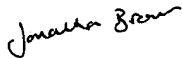
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

A further description of our responsibilities is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**Independent Auditor's Report to the Members of Practice Plus Group Holdings
Limited (continued)**

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

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



.....
Jonathan Brown (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

66 Queen Square,
Bristol,
BS1 4BE

26 April 2022

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Profit and Loss Account for the Year Ended 30 September 2021

		(As restated)	
	Note	2021 £ 000	2020 £ 000
Administrative expenses		(6,311)	(6,042)
Other operating income	4	<u>6,311</u>	<u>6,042</u>
Operating profit	5	-	-
Non recurring items		(1,580)	(2,124)
Amounts written off investments		-	(7,162)
Interest receivable and similar income	6	1,190	1,421
Interest payable and similar expenses	7	<u>(11,805)</u>	<u>(9,923)</u>
Loss before tax		(12,195)	(17,788)
Tax on loss	12	<u>(47)</u>	<u>(4)</u>
Loss for the year		<u><u>(12,242)</u></u>	<u><u>(17,792)</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the current or prior year other than the results above.

The notes on pages 17 to 49 form an integral part of these financial statements.

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Balance Sheet
As at 30 September 2021

		30 September	(As restated)
	Note	2021	30 September
		£ 000	2020
			£ 000
Fixed assets			
Intangible assets	13	1,146	1,219
Tangible assets	14	454	473
Right of use assets	15	347	548
Investments	16	124,007	124,007
		<u>125,954</u>	<u>126,247</u>
Current assets			
Stocks	17	32	51
Debtors	18	52,644	22,432
Cash at bank and in hand	19	22	728
		<u>52,698</u>	<u>23,211</u>
Creditors: Amounts falling due within one year			
Trade and other payables	20	(181,973)	(140,596)
Provisions	22	(38)	(59)
Loans and borrowings		44	339
		<u>(181,967)</u>	<u>(140,316)</u>
Net current liabilities		<u>(129,269)</u>	<u>(117,105)</u>
Total assets less current liabilities		<u>(3,315)</u>	<u>9,142</u>
Creditors: Amounts falling due after more than one year			
Long term lease liabilities	24	(156)	(344)
Provisions	22	(312)	(339)
		<u>(468)</u>	<u>(683)</u>
Net (liabilities)/assets		<u>(3,783)</u>	<u>8,459</u>


The notes on pages 17 to 49 form an integral part of these financial statements.

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Balance Sheet
As at 30 September 2021 (continued)

	30 September 2021 £ 000	(As restated) 30 September 2020 £ 000
Note		
Capital and reserves		
Called up share capital	1	1
Profit and loss account	<u>(3,784)</u>	<u>8,458</u>
Shareholders' (deficit)/funds	<u><u>(3,783)</u></u>	<u><u>8,459</u></u>

Approved by the Board on 25 April 2022 and signed on its behalf by:



.....
David Stickland
Director

The notes on pages 17 to 49 form an integral part of these financial statements.

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Statement of Changes in Equity for the Year Ended 30 September 2021

	Share capital £ 000	Share premium £ 000	(As restated) Retained earnings £ 000	Total £ 000
At 1 October 2019	1	142,169	(2,364)	139,806
Loss for the year	-	-	(17,792)	(17,792)
Total comprehensive income	-	-	(17,792)	(17,792)
Dividends	-	-	(113,555)	(113,555)
Capital reduction	-	(142,169)	142,169	-
At 30 September 2020	1	-	8,458	8,459
	Share capital £ 000	Share premium £ 000	(As restated) Retained earnings £ 000	Total £ 000
At 1 October 2020	1	-	8,458	8,459
Loss for the year	-	-	(12,242)	(12,242)
Total comprehensive income	-	-	(12,242)	(12,242)
At 30 September 2021	1	-	(3,784)	(3,783)

The notes on pages 17 to 49 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 30 September 2021

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:

Hawker House,
5-6 Napier Court,
Napier Road,
Reading,
Berkshire,
RG1 8BW

These financial statements were authorised for issue by the Board on 25 April 2022.

2 Accounting policies

Statement of compliance

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

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

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 28.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that, as disclosed in the accounting policies, certain items are shown at fair value.

Summary of disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 relating to the following disclosures:

- The requirements of IAS 7 Statement of Cash Flows;
- Certain disclosures relating to revenue under IFRS 15 Revenue from Contracts with Customers
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures and the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such member;
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: paragraph 79(a)(iv) of IAS 1 relating to reconciliation of shares; paragraph 73(e) of IAS 16 Property, Plant and Equipment and paragraph 118(e) of IAS 38 Intangible Assets;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors relating to the assessment of the impact of new IFRS.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

As the consolidated financial statements of the parent company, Practice Plus Group Topco Limited, include the equivalent disclosures, the Company has also taken the exemptions available under FRS 101 relating to the following disclosures:

- Certain disclosures relating to impairment relating to IAS 36 Impairment of assets.
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Summary of significant accounting policies and key accounting estimates

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1st October 2019 for the purposes of the transition to FRS 101.

Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

- The Company recharges all of its operating costs to subsidiaries within the Group, however it is reliant on cashflows from its subsidiaries and Group support.
- The Directors have prepared cashflow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account any reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate parent company, Practice Plus Group Topco Limited to meet its liabilities as they fall due for that period.
- Those forecasts are dependent on various subsidiary undertakings not seeking repayment of the amounts currently due, which at 30 September 2021 amounted to £127.2m, and providing additional financial support during that period. Practice Plus Group Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other Group entities for support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Exemption from preparing group accounts

The financial statements contain information about Practice Plus Group Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Practice Plus Group Bidco Limited, a company incorporated in United Kingdom.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Finance income and costs policy

Financing expenses include interest payable, finance charges on lease liabilities recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income comprise interest receivable on funds invested, dividend income, interest income on lease receivables and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Tax

The tax expense for the period comprises 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.

Tangible assets

Property, plant and equipment is stated in the balance sheet 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	Depreciation method and rate
Assets under construction	No depreciation charged until asset is ready for use
Buildings	In line with the lease on the property
Computer equipment	Straight line: 33% on cost
Medical equipment	Straight line: 20% on cost

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Costs incurred in fulfilling contract	Straight line over contract term - generally 3 years
Software	3 years

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

Stock

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases (Lessor accounting)

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the profit and loss account, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year when the annual budget is prepared.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

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.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the balance sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Derecognition

Financial assets

The Company derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the company is recognised as a separate asset or liability.

The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the company derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

- (a) The carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised.
- (b) The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets;
- (c) The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined
- (d) The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit and loss account.

Financial liabilities

If the terms of a financial liabilities are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the Company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit and loss account.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

The company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Accounting policies (continued)

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company, or economic conditions that correlate with defaults in the company.

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 believed to be reasonable under the circumstances. Actual results may differ from those estimates. Estimates are used in accounting for allowances for uncollectible receivables, depreciation, amortisation and impairment, pensions, taxes, provisions, and contingencies. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the Financial Statements in the period that an adjustment is determined to be required.

Management regularly discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. Significant accounting judgements in applying the Group's accounting policies have been applied by the Group in order to prepare the consolidated financial statements with respect to the value of tangible assets, intangible assets including goodwill, provisions, and pensions, and are described below.

Provisions

The Company provides for onerous contracts to the extent that the unavoidable costs of fulfilling the contractual obligation exceeded the estimated economic benefit expected from the contract. The calculation of the provision requires an estimate of the future cash flows expected to arise from the asset and a suitable risk-adjusted discount rate in order to calculate present value.

The Company has recognised provisions for the cost of dilapidations on leasehold properties based on estimates of the likely cash out flow at the end of the lease, discounted using an appropriate discount rate.

Impairment of non-financial assets

The Company assesses the recoverable amount of tangible assets, intangible assets and investments where there are indications that the assets could be impaired. Indicators of impairment include factors internal and external to the organisation that suggest the asset's value may have declined. Where indicators suggest that the value of the asset may have declined, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. Recoverable amount is the higher of fair value less costs of disposal and value in use. The value in use calculation requires an estimate of the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	(As restated)	
	2021	2020
	£ 000	£ 000
Recharges to Group companies	<u>6,311</u>	<u>6,042</u>

5 Operating loss

Arrived at after charging/(crediting)

	(As restated)	
	2021	2020
	£ 000	£ 000
Depreciation expense	108	127
Depreciation on right of use assets - Property	201	174
Amortisation expense	<u>388</u>	<u>184</u>

6 Interest receivable and similar income

	2021	2020
	£ 000	£ 000
Other finance income	3	3
Interest received on loan to Group undertakings	<u>1,187</u>	<u>1,418</u>
	<u>1,190</u>	<u>1,421</u>

7 Interest payable and similar expenses

	(As restated)	
	2021	2020
	£ 000	£ 000
Interest on Revolving Credit Facility	157	227
Interest paid to Group undertakings	11,235	9,581
Other finance costs	396	96
Interest expense on leases - Property	<u>17</u>	<u>19</u>
	<u>11,805</u>	<u>9,923</u>

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

8 Provision for impairment

	2021	2020
	£ 000	£ 000
Provision against loan to Group undertakings	<u>-</u>	<u>7,162</u>

9 Staff costs and numbers

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2021	2020
	£ 000	£ 000
Wages and salaries	4,478	7,257
Social security costs	508	719
Pension costs, defined contribution scheme	155	212
Redundancy costs	<u>168</u>	<u>115</u>
	<u>5,309</u>	<u>8,303</u>

The average number of persons employed by the Company (including Directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Administration and support	<u>104</u>	<u>108</u>

10 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2021	2020
	£ 000	£ 000
Remuneration	<u>1,383</u>	<u>1,991</u>

The emoluments for the Directors for services to the Practice Plus Group are paid by this Company and disclosed within these accounts in their entirety.

In respect of the highest paid Director:

	2021	2020
	£ 000	£ 000
Remuneration	703	1,485

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

11 Auditors' remuneration

	2021	2020
	£ 000	£ 000
Audit of the financial statements	<u>3</u>	<u>3</u>

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

12 Income tax

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

	2021	2020
	£ 000	£ 000
Deferred taxation		
Deferred tax relating to the current year	44	20
Deferred tax relating to rate change	-	(13)
Deferred tax relating to the prior year	3	(3)
Total deferred taxation	<u>47</u>	<u>4</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
	(As restated)	
Loss before tax	<u>(12,195)</u>	<u>(17,788)</u>
Corporation tax at standard rate of 19% (2020: 19%)	(2,317)	(3,380)
Decrease from effect of capital allowances depreciation	(15)	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	272	1,520
Increase arising from group relief tax reconciliation	2,104	1,880
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	3	(3)
Deferred tax credit relating to changes in tax rates or laws	-	(13)
Total tax charge	<u>47</u>	<u>4</u>

Deferred tax

Deferred tax assets and liabilities

2021	Asset
	£ 000
Accelerated tax depreciation	57
Other items	4
Leases	1
	<u>62</u>

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

12 Income tax (continued)

2020	Asset £ 000
Accelerated tax depreciation	94
Other items	13
Leases	2
	<u>109</u>

The Company has no unrecognised deferred tax assets (2020: £nil).

Deferred tax movement during the year:

	At 1 October 2020 £ 000	Recognised in income £ 000	At 30 September 2021 £ 000
Accelerated tax depreciation	94	(37)	57
Other items	13	(9)	4
Leases	2	(1)	1
Net tax assets/(liabilities)	<u>109</u>	<u>(47)</u>	<u>62</u>

Deferred tax movement during the prior year:

	At 1 October 2019 £ 000	Recognised in income £ 000	At 30 September 2020 £ 000
Accelerated tax depreciation	110	(16)	94
Other items	3	10	13
Leases	-	2	2
Net tax assets/(liabilities)	<u>113</u>	<u>(4)</u>	<u>109</u>

The deferred tax assets and liabilities at 30 September 2021 have been calculated based on the rate of 19% which was substantively enacted at that date (2020: 19%).

On 3 March 2021, the UK budget included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies. This rate has not yet been substantively enacted and therefore the deferred tax at 30 September 2021 continues to be calculated at the rate of 19%. If this rate change had been substantively enacted at the current balance sheet date, the deferred tax asset would have increased by £20k.

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

13 Intangible assets

	Costs incurred in fulfilling contracts £ 000	Software £ 000	Total £ 000
Cost or valuation			
At 1 October 2020	1,893	330	2,223
Additions	<u>290</u>	<u>25</u>	<u>315</u>
At 30 September 2021	<u>2,183</u>	<u>355</u>	<u>2,538</u>
Amortisation			
At 1 October 2020	(678)	(326)	(1,004)
Amortisation charge	<u>(383)</u>	<u>(5)</u>	<u>(388)</u>
At 30 September 2021	<u>(1,061)</u>	<u>(331)</u>	<u>(1,392)</u>
Carrying amount			
At 30 September 2021	<u>1,122</u>	<u>24</u>	<u>1,146</u>
At 30 September 2020	<u>1,215</u>	<u>4</u>	<u>1,219</u>

Amortisation of intangible assets is included within administration expenses

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

14 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Assets under construction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation					
At 1 October 2020	466	8	283	1,091	1,848
Additions	-	1	79	9	89
Transfers	-	-	(55)	55	-
At 30 September 2021	<u>466</u>	<u>9</u>	<u>307</u>	<u>1,155</u>	<u>1,937</u>
Depreciation					
At 1 October 2020	(320)	(4)	-	(1,051)	(1,375)
Charge for the year	<u>(59)</u>	<u>(3)</u>	<u>-</u>	<u>(46)</u>	<u>(108)</u>
At 30 September 2021	<u>(379)</u>	<u>(7)</u>	<u>-</u>	<u>(1,097)</u>	<u>(1,483)</u>
Carrying amount					
At 30 September 2021	<u>87</u>	<u>2</u>	<u>307</u>	<u>58</u>	<u>454</u>
At 30 September 2020	<u>146</u>	<u>4</u>	<u>283</u>	<u>40</u>	<u>473</u>

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

15 Right of use assets

	Property £ 000
Cost or valuation	
At 1 October 2019	572
Additions	<u>150</u>
At 30 September 2020	<u>722</u>
At 1 October 2020	<u>722</u>
At 30 September 2021	<u>722</u>
Depreciation	
At 1 October 2019	-
Charge for year	<u>(174)</u>
At 30 September 2020	<u>(174)</u>
At 1 October 2020	<u>(174)</u>
Charge for the year	<u>(201)</u>
At 30 September 2021	<u>(375)</u>
Carrying amount	
At 30 September 2021	<u>347</u>
At 30 September 2020	<u>548</u>

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

16 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 October 2019	<u>135,107</u>
At 30 September 2020	<u>135,107</u>
At 1 October 2020	<u>135,107</u>
At 30 September 2021	<u>135,107</u>
Provision	
At 1 October 2019	<u>(11,100)</u>
At 30 September 2020	<u>(11,100)</u>
At 1 October 2020	<u>(11,100)</u>
At 30 September 2021	<u>(11,100)</u>
Carrying amount	
At 30 September 2021	<u><u>124,007</u></u>
At 30 September 2020	<u><u>124,007</u></u>
At 1 October 2019	<u><u>124,007</u></u>

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

16 Investments (continued)

Details of the subsidiaries as at 30 September 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2021	2020
Practice Plus Group Health and Rehabilitation Services Limited*	Prison healthcare	United Kingdom		100%	100%
Practice Plus Group Limited	Dormant	United Kingdom		100%	100%
Practice Plus Group (Primary Care) Limited*	Primary care services	United Kingdom		100%	100%
Shepton Mallet Health Partnership Limited	Secondary care services	United Kingdom		51%	51%
Practice Plus Group Hospitals Limited*	Secondary care services	United Kingdom		100%	100%
Practice Plus Group Community Diagnostics Limited*	Dormant	United Kingdom		100%	100%
Practice Plus Group Pharmacy Services Limited	Pharmacy services	United Kingdom		100%	100%
Practice Plus Group (Urgent Care) Holdings Limited*	Holding company	United Kingdom		100%	100%
Practice Plus Group (H4H) Limited	Dormant	United Kingdom		100%	100%
Practice Plus Group (Urgent Care) Limited	Primary care services	United Kingdom		100%	100%
Suffolk Integrated Healthcare Limited*	Dormant	United Kingdom		51%	51%

* indicates direct investment of Practice Plus Group Holdings Limited.

All subsidiaries listed above have their registered office at Hawker House, 5-6 Napier Court, Napier Road, Reading, Berkshire, RG1 8BW

17 Stock

	30 September 2021 £ 000	30 September 2020 £ 000
Raw materials and consumables	32	51

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

18 Trade and other debtors

(As restated)

	30 September 2021 £ 000	30 September 2020 £ 000
Amounts owed by Group companies	51,196	21,632
Social security and other taxes receivable	506	-
Prepayments	527	680
Other debtors	353	11
Deferred tax asset	62	109
	<u>52,644</u>	<u>22,432</u>

The amounts owed to Group undertakings generally bear interest at the annual fixed rate of 7.5%, charged monthly on the previous quarter end balance. Due to the process around the change in ownership during the prior year, there was a period from 1st October 2019 to 25th October 2019 where no interest was charged. The loan is unsecured and the amounts advanced are repayable in full on demand. The Company may, at its discretion, make repayments on account of the principal amounts outstanding.

19 Cash at bank and in hand

	30 September 2021 £ 000	30 September 2020 £ 000
Cash at bank	<u>22</u>	<u>728</u>

20 Trade and other creditors

(As restated)

	30 September 2021 £ 000	30 September 2020 £ 000
Trade creditors	4,075	4,427
Accruals	4,245	1,909
Amounts due to Group undertakings	173,289	133,873
Tax and social security	142	204
Other creditors	19	(31)
Current portion of long term lease liabilities	203	214
	<u>181,973</u>	<u>140,596</u>

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

20 Trade and other creditors (continued)

The amounts owed by Group undertakings generally bear interest at the annual fixed rate of 7.5%, charged monthly on the previous quarter end balance. Due to the process around the change in ownership during the prior year, there was a period from 1st October 2019 to 25th October 2019 where no interest was charged. The loan is unsecured and the amounts advanced are repayable in full on demand. The Company may, at its discretion, make repayments on account of the principal amounts outstanding.

21 Interest bearing loans and borrowings

	30 September 2021 £ 000	30 September 2020 £ 000
Non-current loans and borrowings		
Bank borrowings	<u>(44)</u>	<u>(339)</u>

The amounts included above are the issue costs relating to the Revolving Credit Facility which is due to mature within more than 1 year.

22 Provisions

	Onerous contracts £ 000	Dilapidations £ 000	Total £ 000
At 1 October 2020	306	92	398
Increase (decrease) in existing provisions	<u>(27)</u>	<u>(21)</u>	<u>(48)</u>
At 30 September 2021	<u>279</u>	<u>71</u>	<u>350</u>
Non-current liabilities	<u>241</u>	<u>71</u>	<u>312</u>
Current liabilities	<u>38</u>	<u>-</u>	<u>38</u>

The provision for dilapidations relates to the estimated value of obligations in lease agreements to put the leased property back to the state in which it was originally leased. The estimated value has been adjusted for inflation and has been discounted, accruing interest at a rate of 0.2% for those obligations arising within 5 years and 1.6% for those obligations arising in more than 5 years (2020: 0.2% for < 5 years and 1.6% for > 5 years).

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

23 Share capital

Allotted, called up and fully paid shares

	30 September 2021		30 September 2020	
	No.	£	No.	£
Class A Ordinary Shares of 0.02 each	14,999	299.98	14,999	299.98
Class B Ordinary Shares of 0.02 each	45,001	900.02	45,001	900.02
	<u>60,000</u>	<u>1,200</u>	<u>60,000</u>	<u>1,200</u>

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

24 Leases

Leases included in creditors

	(As restated)	
	30 September 2021 £ 000	30 September 2020 £ 000
Current portion of long term lease liabilities	203	214
Long term lease liabilities	156	344
	<u>359</u>	<u>558</u>

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	30 September 2021 £ 000	30 September 2020 £ 000
Less than one year	216	216
2 years	95	216
3 years	33	95
4 years	31	33
5 years	-	31
Impact of discounting	<u>(16)</u>	<u>(33)</u>
Total lease liabilities	<u>359</u>	<u>558</u>

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	30 September 2021 £ 000	30 September 2020 £ 000
Payment		
Right of use assets	<u>232</u>	<u>192</u>

25 Dividends

No dividends were payable in the current year. In the prior year, the Company declared a dividend of £113,555k which included an element of £9,000k which was settled via cash with the balance used to settle amounts payable to the Company's shareholder prior to the change in shareholder in October 2019.

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

26 Contingent liabilities

In the event that the Group fails to comply with covenants in the Revolving Credit Facility, then the assets of certain guarantee companies within the Group could be surrendered to the Lenders in settlement of any liabilities unpaid. At 30 September 2021, there is a nil balance outstanding to Lenders.

27 Parent and ultimate parent undertaking

The ultimate controlling party is BEP IV (Nominees) Limited, the nominee vehicle for Bridgepoint Europe Portfolio IV LP. The ultimate parent company for BEP IV (Nominees) Limited is Bridgepoint Group Limited. Other than Atlantic Investments Holdings Limited, no person has a 25% interest or more in Bridgepoint Group Limited. No individual has a 10% interest or more in Atlantic Investments Holdings Limited.

The Company's immediate parent is Practice Plus Group Bidco Limited.

The ultimate parent is Practice Plus Group Topco Limited, incorporated in the United Kingdom.

The largest Group in which these results are consolidated is Practice Plus Group Topco Limited. The smallest Group in which these results are consolidated is Practice Plus Group Bidco Limited. These financial statements are available upon request from:

Hawker House,
5-6 Napier Court,
Napier Road,
Reading,
Berkshire,
RG1 8BW

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

28 Transition to FRS 101

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS101. The accounting policies set out in notes 2 and 3 have been applied in preparing the financial statements for the year ended 30 September 2021 and the comparative information presented in these financial statements for the year ended 30 September 2020 as well as the equity position as at 1 October 2019.

The Company has performed detailed analysis and assessment in order to identify all the required adjustments arising from the transition from Financial Reporting Standards ("FRS 102") to International Financial Reporting Standards ("IFRS"). The main areas identified for adjustment relate to the following:

1) Adoption of the IFRS 16 relating to leases which led to creation of a lease liability and right of use asset.

This increased the right of use assets by £572k and lease liabilities by £572k at 1st October 2019.

The impact on the Profit and Loss account for the year ended 30 September 2020 was a reduction of rent in the profit and loss account of £183k, an increase in depreciation costs of £174k and an increase in interest costs due to the unwinding of the discount of £19k. The net impact was a decrease in operating profit of £9k, however the Company recharges all operating costs to its subsidiaries and therefore this was offset by an £9k increase in management recharge.

This increased the right of use assets by £548k and lease liabilities by £558k at 30th September 2020.

2) Adoption of IAS 38 which can result in different classifications between intangible and tangible assets. This resulted in a reclassification of £72k between tangible and intangible assets at 1st October 2019 and a reclassification of £1,219k at 30th September 2020.

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

28 Transition to FRS 101 (continued)

Balance sheet at 1 October 2019

	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
Fixed assets				
Intangible assets	-	72	-	72
Tangible fixed assets	644	(72)	-	572
Investments	124,007	-	-	124,007
Right of use asset	-	-	572	572
	<u>124,651</u>	<u>-</u>	<u>572</u>	<u>125,223</u>
Current assets				
Stocks	77	-	-	77
Debtors	17,812	-	-	17,812
Cash at bank and in hand	1,157	-	-	1,157
	<u>19,046</u>	<u>-</u>	<u>-</u>	<u>19,046</u>
Creditors: Amounts falling due within one year	<u>(3,806)</u>	<u>-</u>	<u>(164)</u>	<u>(3,970)</u>
Net current assets/(liabilities)	<u>15,240</u>	<u>-</u>	<u>(164)</u>	<u>15,076</u>
Total assets less current liabilities	139,891	-	408	140,299
Provisions for liabilities	(85)	-	-	(85)
Right of use liability	<u>-</u>	<u>-</u>	<u>(408)</u>	<u>(408)</u>
Net assets/(liabilities)	<u>139,806</u>	<u>-</u>	<u>-</u>	<u>139,806</u>
Capital and reserves				
Share capital presented as equity	1	-	-	1
Share premium reserve	142,169	-	-	142,169
Profit and loss account	<u>(2,364)</u>	<u>-</u>	<u>-</u>	<u>(2,364)</u>
Shareholders' funds/(deficit)	<u>139,806</u>	<u>-</u>	<u>-</u>	<u>139,806</u>

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

28 Transition to FRS 101 (continued)

Balance sheet at 30 September 2020

	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
Fixed assets				
Intangible assets	-	1,219	-	1,219
Tangible fixed assets	1,692	(1,219)	-	473
Investments	124,007	-	-	124,007
Right of use asset	-	-	548	548
	<u>125,699</u>	<u>-</u>	<u>548</u>	<u>126,247</u>
Current assets				
Stocks	51	-	-	51
Debtors	22,431	-	1	22,432
Cash at bank and in hand	728	-	-	728
	<u>23,210</u>	<u>-</u>	<u>1</u>	<u>23,211</u>
Creditors: Amounts falling due within one year	<u>(140,034)</u>	<u>(59)</u>	<u>(223)</u>	<u>(140,316)</u>
Net current assets/(liabilities)	<u>(116,824)</u>	<u>(59)</u>	<u>(222)</u>	<u>(117,105)</u>
Total assets less current liabilities	<u>8,875</u>	<u>(59)</u>	<u>326</u>	<u>9,142</u>
Provisions for liabilities	(398)	59	-	(339)
Lease liability	-	-	(344)	(344)
Provisions for liabilities	<u>(398)</u>	<u>59</u>	<u>(344)</u>	<u>(683)</u>
Net assets/(liabilities)	<u>8,477</u>	<u>-</u>	<u>(18)</u>	<u>8,459</u>
Capital and reserves				
Share capital presented as equity	1	-	-	1
Profit and loss account	8,476	-	(18)	8,458
Shareholders' funds/(deficit)	<u>8,477</u>	<u>-</u>	<u>(18)</u>	<u>8,459</u>

Practice Plus Group Holdings Limited
Registration number: 10787931
(formerly Care UK Healthcare Holdings Limited)

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

28 Transition to FRS 101 (continued)

Profit and loss account for the financial year ended 30 September 2020

	As originally reported £ 000	Remeasurement £ 000	As restated £ 000
Administrative expenses	(6,051)	9	(6,042)
Other operating income	<u>6,051</u>	<u>(9)</u>	<u>6,042</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>	<u>-</u>
Non recurring items	(2,124)	-	(2,124)
Interest receivable and similar income	1,421	-	1,421
Provision for impairment	(7,162)	-	(7,162)
Interest payable and similar expenses	<u>(9,904)</u>	<u>(19)</u>	<u>(9,923)</u>
	<u>(17,769)</u>	<u>(19)</u>	<u>(17,788)</u>
Profit/(loss) before tax	(17,769)	(19)	(17,788)
Tax on profit on ordinary activities	<u>(5)</u>	<u>1</u>	<u>(4)</u>
Profit/(loss) for the financial year	<u><u>(17,774)</u></u>	<u><u>(18)</u></u>	<u><u>(17,792)</u></u>