

Registered number: 11168111

NATIONAL NEUROLOGICAL SERVICES LTD

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MARCH 2023

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NATIONAL NEUROLOGICAL SERVICES LTD

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | J F Allen F Lalani K Lewis J Mawji D Rowe-Bewick M Cleasby M Ranson C J Leake |
| Registered number | 11168111 |
| Registered office | Suite 22, The Globe Centre St James Square Accrington Lancashire BB5 0RE |
| Accountant | Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS |
| Bankers | HSBC 60 Church Street Blackburn Lancashire BB1 5AS |

NATIONAL NEUROLOGICAL SERVICES LTD

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NATIONAL NEUROLOGICAL SERVICES LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 MARCH 2023

Introduction

The Directors present the strategic report for the year ended 30 March 2023.

The principal activity of the Company continued to be that of care and support for younger adults in a residential setting, with a specialist focus on adults with acquired brain injuries.

Business review

During the year ended 30 March 2022, the Company incurred significant additional cost through the provision of agency labour. This was required to maintain staffing at safe levels whilst underlying recruitment needs were remedied.

During the year ending 30 March 2023, such usage continued due to several factors namely but not limited to; local resourcing availability, increasing demand from substitutional sectors such as hospitality, retail and online fulfillment and the further retraction of EU nationals from the UK following Brexit..

In response to the macro factors, the Directors of National Neurological Services Limited implemented its own overseas sponsorship programme to increase resources from areas beyond the EU. Whilst the positive impact of this programme was less visible in the year ending March 2023 and led to the margin erosion, it has been seen already in the year ending March 2024.

Considering the above, the Directors continue to be pleased with the performance and sustainability of the Company, with underlying increases in turnover and gross profit.

The reduction in EBITDA was also attributable, in part, to some specific and non-recurring maintenance costs. .

Principal risks and uncertainties

The principal risks and uncertainties are competition within the local area, the dependency on revenues from the Local Authorities who are facing budget cuts, the provision of substandard care or the non-compliance with regulatory requirements.

The Company seeks to manage risk and uncertainty by maintaining the highest levels of care provision for the individuals in its services at all times and by its continued investment in its staff and premises.

Financial key performance indicators

The Directors consider the following to be the key performance indicators for the Company:

| | 2023 £'000's | 2022 £000's |
|--------------|-----------------|----------------|
| Turnover | 3,910 | 3,708 |
| Gross Profit | 1,614 | 1,442 |
| EBITDA | 574 | 887 |

Due to the confidential nature of occupancy rates they have not been reproduced in this report.

NATIONAL NEUROLOGICAL SERVICES LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2023**

Financial risk management objectives and policies

The Company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance;
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and accrued income) arise directly from the Company's operations.

The Company has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

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

David Rowe-Bewick

D Rowe-Bewick
Director

Date: 19/10/2023

NATIONAL NEUROLOGICAL SERVICES LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 MARCH 2023**

The Directors present their report and the unaudited financial statements for the year ended 30 March 2023.

Directors' responsibilities statement

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

Company law requires the Directors to prepare *unaudited financial statements for each financial year*. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 unaudited financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the unaudited 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 unaudited 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.

Directors

The Directors who served during the year were:

J F Allen
F Lalani
K Lewis
J Mawji
D Rowe-Bewick
M Cleasby
M Ranson
C J Leake

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

David Rowe-Bewick

D Rowe-Bewick
Director

Date: 19/10/2023



Report to the Directors on the preparation of the unaudited statutory financial statements of National Neurological Services Ltd for the year ended 30 March 2023

We have compiled the accompanying financial statements of National Neurological Services Ltd (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of National Neurological Services Ltd as at 30 March 2023, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with 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). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's Directors, as a body, in accordance with the terms of our engagement letter dated 10 May 2023. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's Directors, as a body, in this report in accordance with our engagement letter dated 10 May 2023. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Directors, as a body, for our work or for this report.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 10/11/2023

NATIONAL NEUROLOGICAL SERVICES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 MARCH 2023**

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|------------------|
| Turnover | 4 | 3,910,210 | 3,708,262 |
| Cost of sales | | (2,296,621) | (2,266,225) |
| Gross profit | | 1,613,589 | 1,442,037 |
| Administrative expenses | | (1,392,311) | (1,273,302) |
| Exceptional administrative expenses | | (5,478) | - |
| Other operating income | 5 | 16,840 | 96,933 |
| Operating profit | 6 | 232,640 | 265,668 |
| Tax on profit | 8 | (65,609) | (363,593) |
| Profit/(loss) for the financial year | | 167,031 | (97,925) |
| Other comprehensive income for the year | | | |
| Surplus on revaluation of tangible fixed assets | | 210,827 | 1,573,827 |
| Deferred tax on revaluation | | (95,537) | (545,924) |
| Reversal of historic depreciation on revaluation | | 171,321 | 370,935 |
| Other comprehensive income for the year | | 286,611 | 1,398,838 |
| Total comprehensive income for the year | | 453,642 | 1,300,913 |

The notes on pages 9 to 18 form part of these financial statements.

NATIONAL NEUROLOGICAL SERVICES LTD
REGISTERED NUMBER:11168111

STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 9,672,362 | 9,496,141 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 11 | 2,317,132 | 1,686,755 |
| Cash at bank and in hand | 12 | 228,257 | 49,463 |
| | | <u>2,545,389</u> | <u>1,736,218</u> |
| Creditors: amounts falling due within one year | 13 | (3,492,649) | (3,030,712) |
| Net current liabilities | | <u>(947,260)</u> | <u>(1,294,494)</u> |
| Total assets less current liabilities | | <u>8,725,102</u> | <u>8,201,647</u> |
| Provisions for liabilities | | | |
| Deferred tax | 14 | (1,692,014) | (1,622,201) |
| | | <u>(1,692,014)</u> | <u>(1,622,201)</u> |
| Net assets | | <u>7,033,088</u> | <u>6,579,446</u> |
| Capital and reserves | | | |
| Called up share capital | | 1 | 1 |
| Revaluation reserve | | 6,042,120 | 5,789,410 |
| Profit and loss account | | 990,967 | 790,035 |
| | | <u>7,033,088</u> | <u>6,579,446</u> |

NATIONAL NEUROLOGICAL SERVICES LTD
REGISTERED NUMBER:11168111

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 MARCH 2023

The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

David Rowe-Bewick

D Rowe-Bewick
Director

Date: 19/10/2023

The notes on pages 9 to 18 form part of these financial statements.

NATIONAL NEUROLOGICAL SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 MARCH 2023**

| | Called up share capital | Revaluation reserve | Profit and loss account | Total equity |
|--|----------------------------|------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 March 2021 | 1 | 4,416,900 | 861,632 | 5,278,533 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (97,925) | (97,925) |
| Transfer from revaluation reserve | - | - | 26,328 | 26,328 |
| Surplus on revaluation of freehold property | - | 1,573,827 | - | 1,573,827 |
| Reversal of historic depreciation on revaluation | - | 370,935 | - | 370,935 |
| Deferred tax on revaluation | - | (545,924) | - | (545,924) |
| Total comprehensive income for the year | - | 1,398,838 | (71,597) | 1,327,241 |
| Transfer from profit and loss account | - | (26,328) | - | (26,328) |
| At 31 March 2022 | 1 | 5,789,410 | 790,035 | 6,579,446 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 167,031 | 167,031 |
| Transfer from revaluation reserve | - | - | 33,901 | 33,901 |
| Surplus on revaluation of freehold property | - | 210,827 | - | 210,827 |
| Reversal of historic depreciation on revaluation | - | 171,321 | - | 171,321 |
| Deferred tax on revaluation | - | (95,537) | - | (95,537) |
| Total comprehensive income for the year | - | 286,611 | 200,932 | 487,543 |
| Transfer from profit and loss account | - | (33,901) | - | (33,901) |
| At 30 March 2023 | 1 | 6,042,120 | 990,967 | 7,033,088 |

The notes on pages 9 to 18 form part of these financial statements.

NATIONAL NEUROLOGICAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2023

1. General information

National Neurological Services Ltd is a private company limited by shares and incorporated in England and Wales. The registered number is 11168111 and the registered office is located at Suite 22, The Globe Centre, St James Square, Accrington, Lancashire, BB5 0RE.

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 judgement 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of National Care Group Holdings Limited as at 30 March 2023 and these financial statements may be obtained from Companies House.

2.3 Going concern

In the annual review of the Company's status as a going concern, the Directors have considered the lasting impact of the COVID-19 pandemic on the care sector, in particular with regards to recruitment, the impact of global inflation and significant increases in National Minimum Wage. However, the Directors have prepared and assessed future forecasts to October 2024 and do not consider there to be any present risk to the going concern status of the Company.

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

2. Accounting policies (continued)

2.4 Turnover

Turnover represents consideration received in respect of the provision of care and support services to individuals. Revenue is recognised in respect of contracted or delivered services provided within the relevant period in accordance with contracted terms.

Revenue invoiced in advance of the relevant period is included within deferred income until the recognition criteria are met. Revenue recognised in relation to the relevant period, but not yet invoiced is included within accrued income.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

2. Accounting policies (continued)

2.7 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 reporting 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 reporting 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 reporting date.

2.8 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, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|-----------------------|---|-----|
| Freehold property | - | 2% |
| Plant and equipment | - | 20% |
| Motor vehicles | - | 20% |
| Fixtures and fittings | - | 20% |
| Computers | - | 33% |

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.

NATIONAL NEUROLOGICAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2023

2. Accounting policies (continued)

2.9 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.10 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation of properties

Freehold properties were valued at the Statement of Financial Position date at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, historical experience and rent levels. During the year, an external third party valuation was performed in respect of all freehold property. The Directors consider the valuation per the third party report to reflect fair value as at 30 March 2023.

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Revenue in respect of the provision of care | <u>3,910,210</u> | <u>3,708,262</u> |

5. Other operating income

| | 2023 £ | 2022 £ |
|------------------------------|---------------|---------------|
| Government grants receivable | <u>16,840</u> | <u>96,933</u> |

6. Operating profit

The operating profit is stated after charging:

| | 2023 £ | 2022 £ |
|--|----------------|---------------|
| <i>Depreciation on tangible fixed assets</i> | 341,347 | 250,598 |
| Pension costs | <u>31,852</u> | <u>33,197</u> |

Accountancy fees are accrued and paid for at a group level.

7. Employees

The average monthly number of employees, including the Directors, during the year was 104 (2022: 114)

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

8. Taxation

| | 2023 £ | 2022 £ |
|--|-----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | 94,575 | 85,163 |
| Adjustments in respect of previous periods | (3,242) | 45,582 |
| Total current tax | <u>91,333</u> | <u>130,745</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (20,983) | 67,790 |
| Changes to tax rates | (6,626) | 142,431 |
| Adjustments in respect of prior periods | 1,885 | 22,627 |
| Total deferred tax | <u>(25,724)</u> | <u>232,848</u> |
| Taxation on profit on ordinary activities | <u>65,609</u> | <u>363,593</u> |

9. Exceptional items

| | 2023 £ | 2022 £ |
|------------------------------------|--------------|-----------|
| Write-off of intercompany balances | <u>5,478</u> | <u>-</u> |

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

10. Tangible fixed assets

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|-------------------------------------|---------------------------|-----------------------------|------------------------|-------------------------------|--------------------------|-------------------|
| Cost or valuation | | | | | | |
| At 31 March 2022 | 9,245,000 | 979 | 534 | 476,819 | 10,717 | 9,734,049 |
| Additions | - | - | - | 134,458 | 963 | 135,421 |
| Revaluations | 210,826 | - | - | - | - | 210,826 |
| At 30 March 2023 | <u>9,455,826</u> | <u>979</u> | <u>534</u> | <u>611,277</u> | <u>11,680</u> | <u>10,080,296</u> |
| Depreciation | | | | | | |
| At 31 March 2022 | 39,125 | 323 | 45 | 194,837 | 3,578 | 237,908 |
| Charge for the year on owned assets | 231,850 | 196 | 107 | 105,708 | 3,486 | 341,347 |
| On revalued assets | (171,321) | - | - | - | - | (171,321) |
| At 30 March 2023 | <u>99,654</u> | <u>519</u> | <u>152</u> | <u>300,545</u> | <u>7,064</u> | <u>407,934</u> |
| Net book value | | | | | | |
| At 30 March 2023 | <u>9,356,172</u> | <u>460</u> | <u>382</u> | <u>310,732</u> | <u>4,616</u> | <u>9,672,362</u> |
| At 30 March 2022 | <u>9,205,875</u> | <u>656</u> | <u>489</u> | <u>281,982</u> | <u>7,139</u> | <u>9,496,141</u> |

Freehold property was revalued at 31 December 2022 by Avison Young, who are not connected to the company. The freehold property was valued at £9,390,000. The valuation was made on an open market basis and was based on recent market transactions on arm's length terms for similar properties.

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

| | 2023 £ | 2022 £ |
|--------------------------|------------------|------------------|
| Cost | 2,609,733 | 2,609,733 |
| Accumulated depreciation | (197,246) | (145,052) |
| | <u>2,412,487</u> | <u>2,464,681</u> |

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

11. Debtors

| | 2023 £ | 2022 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 510,386 | 373,153 |
| Amounts owed by group undertakings | 1,716,462 | 1,243,494 |
| Prepayments and accrued income | 90,284 | 70,108 |
| | <u>2,317,132</u> | <u>1,686,755</u> |

12. Cash and cash equivalents

| | 2023 £ | 2022 £ |
|--------------------------|----------------|---------------|
| Cash at bank and in hand | <u>228,257</u> | <u>49,463</u> |

13. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 119,784 | 48,945 |
| Amounts owed to group undertakings | 2,678,190 | 2,348,924 |
| Corporation tax | 232,194 | 174,559 |
| Other taxation and social security | 88,572 | 62,426 |
| Other creditors | 188,336 | 247,796 |
| Accruals and deferred income | 185,573 | 148,062 |
| | <u>3,492,649</u> | <u>3,030,712</u> |

14. Deferred taxation

| | 2023 £ |
|---------------------------------------|---------------------------|
| At beginning of year | (1,622,201) |
| Charged to profit or loss | 25,724 |
| Charged to other comprehensive income | (95,537) |
| At end of year | <u>(1,692,014)</u> |

NATIONAL NEUROLOGICAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2023**

14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

| | 2023 £ | 2022 £ |
|--------------------------------|--------------------|--------------------|
| Accelerated capital allowances | <u>(1,692,014)</u> | <u>(1,622,201)</u> |

15. Financial commitments, guarantees and contingent liabilities

The company has provided a security to AIB Group (UK) PLC on behalf of its immediate parent company, National Care Group Ltd for its liabilities of £19,424,926 (2022: £20,930,750) by way of fixed and floating charges over the assets of the company.

16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £31,852 (2022: £33,197). As at 30 March 2023, amounts of £6,733 (2022: £7,579) were payable to the fund and are included within other creditors.

17. Commitments under operating leases

At 30 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2023 £ | 2022 £ |
|-----------------------|--------------|-----------|
| Not later than 1 year | <u>1,647</u> | <u>-</u> |

18. Related party transactions

Advantage has been taken of the exemption under FRS 102 not to disclose transactions with members of the same group that are wholly owned.

19. Controlling party

The immediate parent company is National Care Group Ltd and the ultimate parent company is National Care Group Holdings Limited, both companies are registered in England and Wales, and controlled by the Directors.

National Care Group Holdings Limited prepares group financial statements and copies can be obtained from Companies House.