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**MCG HEALTHCARE LIMITED**

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**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**MCG HEALTHCARE LIMITED**  
**REGISTERED NUMBER: 10484185**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Intangible assets	4		15,000		25,000
Tangible assets	5		25,918		22,183
			<u>40,918</u>		<u>47,183</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	6	1,442,768		675,652	
Cash at bank and in hand	7	114,499		120,518	
			<u>1,557,267</u>	<u>796,170</u>	
Creditors: amounts falling due within one year	8	(1,763,677)		(1,394,096)	
<b>Net current liabilities</b>			<u>(206,410)</u>		<u>(597,926)</u>
<b>Total assets less current liabilities</b>			<u>(165,492)</u>		<u>(550,743)</u>
<b>Net liabilities</b>			<u>(165,492)</u>		<u>(550,743)</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account			(165,592)		(550,843)
			<u>(165,492)</u>		<u>(550,743)</u>

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**MCG HEALTHCARE LIMITED**  
**REGISTERED NUMBER: 10484185**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the Statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2023.

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**F Garrard**  
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

MCG Healthcare Limited is a company limited by shares, incorporated in England and Wales. The address of the registered office is 56 Clarendon Road, Watford, WD17 1DB.

The principal activity of the company is providing the supply of nursing staff.

**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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

Subsequent to the reporting date, the group to which the company belongs became a majority controlled equity investment of Tosca Debt Capital LLP.

Tosca Debt Capital LLP also provide debt facilities for the MCG group, and at the date of approval of these financial statements are currently working with the group to support the future success of the business.

The directors note that it is not Tosca Debt Capital LLP's intention to seek repayment of debts outside of agreed repayment dates. Furthermore, the directors note that Tosca Debt Capital LLP have confirmed their intention to continue to provide support to The MCG Group Holdings Limited and its subsidiaries in order to enable them to remain a going concern for at least twelve months from the date of approval of the financial statements of The MCG Group Holdings Limited and its subsidiaries.

In addition to this support, and together with long term contracts with a number of clients across multiple geographic areas and markets, the directors believe that the group and company are well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making their enquiries, the directors have formed a judgement that, at the time of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future and for a period of not less than twelve months from the date of approval of these financial statements. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the reporting date can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

**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 the Statement of comprehensive income 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 Statement of comprehensive income in the same year as the related expenditure.

**2.6 Finance costs**

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

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.8 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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income 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.

**2.10 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.11 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life of 5 years.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.12 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:

Fixtures and fittings	-	25%
Computer equipment	-	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 the Statement of comprehensive income.

**2.13 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.

**2.14 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.

**2.15 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)****2.16 Provisions for liabilities**

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

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**3. Employees**

The average monthly number of employees, including directors, during the year was 37 (2021 - 37).

**4. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 January 2022	50,000
At 31 December 2022	50,000
<b>Amortisation</b>	
At 1 January 2022	25,000
Charge for the year	10,000
At 31 December 2022	35,000
<b>Net book value</b>	
At 31 December 2022	15,000
<i>At 31 December 2021</i>	<i>25,000</i>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. Tangible fixed assets**

	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2022	29,574	10,755	40,329
Additions	10,641	4,100	14,741
At 31 December 2022	<u>40,215</u>	<u>14,855</u>	<u>55,070</u>
<b>Depreciation</b>			
At 1 January 2022	17,773	373	18,146
Charge for the year	8,061	2,945	11,006
At 31 December 2022	<u>25,834</u>	<u>3,318</u>	<u>29,152</u>
<b>Net book value</b>			
At 31 December 2022	<u>14,381</u>	<u>11,537</u>	<u>25,918</u>
<i>At 31 December 2021</i>	<u>11,801</u>	<u>10,382</u>	<u>22,183</u>

**6. Debtors**

	2022 £	2021 £
Trade debtors	1,283,432	513,961
Amounts owed by group undertakings	2,321	-
Other debtors	7,304	5,438
Prepayments and accrued income	8,303	14,845
Deferred taxation	141,408	141,408
	<u>1,442,768</u>	<u>675,652</u>

Amounts owed by group undertakings and related parties are unsecured, interest-free and payable on demand.

The trade debtors balance is subject to an invoice discounting arrangement. These assets have not been derecognised from the Statement of financial position because the company remains ultimately responsible for any unpaid balances, so the directors consider significant risks to have been retained.

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**MCG HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**7. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>114,499</b>	<b>120,518</b>
	<b><u>114,499</u></b>	<b><u>120,518</u></b>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Invoice discounting facility	<b>923,160</b>	<b>400,519</b>
Trade creditors	<b>4,672</b>	<b>3,056</b>
Amounts owed to group undertakings	<b>-</b>	<b>466,353</b>
Other taxation and social security	<b>478,651</b>	<b>325,840</b>
Other creditors	<b>188,062</b>	<b>116,364</b>
Accruals and deferred income	<b>169,132</b>	<b>81,964</b>
	<b><u>1,763,677</u></b>	<b><u>1,394,096</u></b>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

The company has an invoice discounting arrangement in place with HSBC Bank Plc. There is a fixed charge held over the debtor book in respect of this.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**9. Deferred taxation**

	<b>2022</b> <b>£</b>
At beginning of year	<b>141,408</b>
Charged to the Statement of comprehensive income	-
<b>At end of year</b>	<b><u>141,408</u></b>

The deferred tax asset is made up as follows:

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Accelerated capital allowances	<b>(611)</b>	<b>(611)</b>
Tax losses carried forward	<b>142,019</b>	<b>142,019</b>
	<b><u>141,408</u></b>	<b><u>141,408</u></b>

**10. Share capital**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>

The company has one class of Ordinary shares; each share carries one voting right per share but no right to fixed income.

**11. Pension commitments**

The company operates a defined contributions 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 £15,589 (2021 - £11,470). At the reporting date £1,786 (2021 - £1,378) was payable by the company to the pension scheme.

**12. Related party transactions**

The company has adopted the exemption permitted by Financial Reporting Standard 102, not to disclose any transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**13. Post balance sheet events**

There are no subsequent events that require disclosure or adjustments to the financial statements.

**14. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is MCG Group (Midco) Limited, a company incorporated in England and Wales. The registered office of MCG Group (Midco) Limited is 56 Clarendon Road, Watford, WD17 1DA.

The ultimate parent undertaking is The MCG Group Holdings Limited, a company incorporated in England and Wales. The registered office of The MCG Group Holdings Limited is 56 Clarendon Road, Watford, WD17 1DA. This is the smallest and largest company in which the results of this company are consolidated.

The ultimate controlling party at the date of approval of these financial statements is Tosca Debt Capital LLP.

**15. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 29 September 2023 by Elliot S J Arwas (Senior statutory auditor) on behalf of Barnes Roffe LLP

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.