C&C Topco Limited

Annual Report and Financial Statements

For the year ended 31 March 2023

Company number 08794967

C&C Topco Limited

Annual report and consolidated financial statements for the year ended 31 March 2023

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The directors present their strategic report together with the audited consolidated financial statements for C&C Topco Limited (the 'Company') and its subsidiaries (together referred to as the 'Group') for the year ended 31 March 2023.

Results and dividends

The results for the year ended 31 March 2023 are disclosed on page 15 and show a loss after taxation of £36.9m (2022: loss of £18.7m). No dividends have been paid or proposed in the year (2022: £nil).

Financial review

The year to 31 March 2023 was challenging for the Group, with national labour shortages which reduced recruitment levels and a loss of care workers due to exhaustion and lifestyle re-evaluation after Covid-19 (the so-called "Great Resignation" nationally). Our experience was common with other providers in the sector and the economy more broadly. During the Covid-19 period, additional costs were incurred to utilise agency workers to ensure continuity of service, for which, there had been additional available funding and support, however this ceased in March 2022. In H1 of the financial year, agency staff continued to be used at premium rates, in some cases rendering care packages untenable. During H2, a programme commenced to remove the reliance on agency through a combination of increases in our recruitment of care workers and, in some instances the handback of care hours to allow branches to regroup and be well placed for the year to come. This therefore impacted the number of hours care delivered in the year.

Group turnover for the year amounted to £356.3m (2022: £375.2m) which resulted in a Group operating loss of £18,066k (2022: operating profit of £105k). Adding back £3.3m of depreciation (2022: £2.9m) and £31m of amortisation (2022: £27.3m), the Group generated earnings before interest, tax, depreciation and amortisation ("EBITDA") of £16.3m (2022: £30.3m). Results in the year were impacted by shortages of staff in the sector driving a reliance on agency staff which, in the prior year was supported through additional local grants and funding. By the end of FY23, recruitment eased and agency reliance removed from the Group creating a strong foundation for the new financial year. Pre-exceptional EBITDA for the year was £26.3m (2022: £34.6m), after adding back net exceptional costs of £4.3m (2022: £7.0m) which primarily related to Covid-19 related costs (offset by Covid-19 related income) along with reinvestment and restructuring costs as disclosed in note 6 to the accounts. Financing costs of £26.5m (2022: £19.8m) were incurred during the year, of which £23.3m (2021: £16.9m) related to paid interest on bank loans and overdrafts, with the balance of £3.2m (2022: £2.9m) being amortisation of financing costs. Operating cash generated was consumed in servicing the interest burden as the interest rate increased.

The Group did not complete in-year acquisitions. The Group has focussed on the integration of prior year acquisitions, broadening the Group's diversification into the care sector. Additionally we have stepped in (at no cost) to ensure continuity of care where a local provider is struggling and have TUPE'd over their staff into our local branches.

The Group strategy remains unchanged, focusing on providing high quality and affordable care in a variety of settings adapted to service users' needs and preferences. Our priorities remain anchored on improving quality, investing in technology to enhance service delivery and in the ongoing training and support of our staff. Through these priorities we aim to meet the needs of our commissioners, the NHS and private paying clients. In addition, we will continue to identify and invest in selected acquisition opportunities to reinforce the Group's network of high quality service provision, adding the resilience and additional benefits that come with greater scale and diversifying through a broader offering of services. The Group benefits from its national branch network to create organic growth opportunities in both existing, and new, geographies and market segments.

The consolidated balance sheet shows a net liability position of £83.9m (2022: £47m). This year was focussed on recovery from the impacts of covid and the pressures that remained in the sector of staff shortages and excess agency reliance. Emphasis was on building a strong foundation for growth. The roll out of the model branch technology project was completed and successful integration of the FY22 acquisitions for which FRS102 required the amortisation of goodwill reducing the intangibles asset by £24m. The liability position is derived from a combination of bank and investor debt financing to support our long-term growth. That debt is not repayable on demand and provides significant financial backing and resilience to the Group.

Impact of Covid-19

FY23 was the first year of no lockdowns. However, restrictions remained in place for precautions whilst undertaking care work. Over the year this ranged from the stringent daily Covid-19 testing, compulsory isolation if tested positive and mandatory PPE requirements to the gradual easing of all measures. Rosters were impacted by sickness, national labour shortages which reduced recruitment levels, a loss of care workers due to exhaustion and lifestyle re-evaluation after Covid-19 and those who returned to retail and hospitality sectors. Funding in FY22 enabled the use of agency staff to support rosters however, when this ended, agency became a significant cost to the Group in FY23 with premium rates. During H2 a combination of increasing recruitment initiatives and the active hand back of hours, enabled the removal of agency staff in our homecare business.

The supply of basic Personal Protective Equipment (PPE) was free during the year however we incurred costs for central storage and distribution. In early FY24 the mandatory PPE requirements were amended to the pre-Covid19 guidance and the free national PPE stocks would no longer be available.

Local Authority and NHS assessment processes (by which new packages of care are commissioned to the Group) were also disrupted by lockdown and the diversion of staffing resources within commissioner organisations; this meant a slowdown in new business referrals. These trends fluctuated through the year as infection levels and workforce shortages also at the Local Authorities and NHS.

Key performance indicators

The SLT and Board monitor quality performance through focussed Key Performance Indicators and external ratings by our regulators. The Group is focused on the quality of its service. At the end of the financial year external ratings were at 81% rated equivalent to good or outstanding overall ahead of the pre pandemic figure of 80%.

The Group also continues to develop revenue growth at a sustainable gross margin, continuing expansion, and increasing its presence across the community homecare market segments. The acquisition of Raynsford Care Limited and Midway Care Group in FY22, delivered on the strategy to grow across the various segments of homecare, building scale in supported living for those with Learning Disabilities or other conditions requiring support to live as independently as possible. FY23 Group average weekly chargeable hours decreased by a net 11.4% from prior year (2022: decrease 5.99%) although the FY23 average masks a pattern of considerable change through the course of the pandemic with decreasing volumes in the second half of the year as the Group proactively removed agency reliance. Branch performance is measured on quality rating, hours and number of active care workers. At Group level monthly revenue and EBITDA are tracked along with DSO performance, the latter being a benefit of the completed successful implementation of Model Branch and invoice automation.

Additional key performance indicators have been noted within the financial review section of this report. There are turnover, EBITDA and net liabilities.

Principal risks and uncertainties

The Covid-19 pandemic realised a number of risks for the Group, which were addressed, in part, through the implementation of various mitigation strategies. The Group is also exposed to non-financial risks such as the loss of major contracts, a significant change in the market dynamic, legislative and regulatory change and the loss of key people, and has taken suitable steps to prevent, reduce or mitigate as appropriate.

As outlined above, the Covid-19 pandemic resulted in volume loss driven by difficulties to recruit, delays in new packages, costs of agency and statutory sick pay. Although support was made available to the sector through local and central government these all ceased at the end of March 22.

Workforce motivation, fatigue and stress has also been of specific concern to the Group during the Covid-19 pandemic. A significant programme of additional communication and support has been established, keeping staff up-to-date with policy and guideline changes and by providing additional training. The Group strives to support staff motivation through many initiatives such as recognition programmes and sharing of positive news stories.

The risk associated with the loss of major contracts is mitigated by virtue of a strong demand within existing services and a pipeline of new business opportunities to replace any contract losses. Additionally, the risk is mitigated by the absence of undue reliance on any single contract (no exposure to a single contract of more than 2.5% of Group revenue) which could potentially impact the overall performance of the Group, as well as the number of long-term and rolling contracts. The Group remains confident of retaining a very high proportion of existing business due for retender in the next 12 months and retender statistics over the last 5 years support that view.

Central government funding policy for social care is important to the Group. Whilst funding pressures continue to impact the sector the Group maintains strong pricing discipline through tender and retender activity thereby maintaining a financially viable portfolio. The Group also annually renegotiates prices with its customers to offset National Living Wage and other inflationary factors. Central and local government budgetary policy changes over the last 36-48 months have also steadily become more favourable through ring-fenced council tax precept allocations, reallocations from more discretionary areas of public expenditure in favour of social care, and separately allocated funding from the 'Improved Better Care Fund' (iBCF). A clear political consensus exists to further increase social care funding and this consensus has been given added impetus by the Covid-19 pandemic. The clearly defined statutory obligations introduced by the Care Act 2014 allow limited scope for Local Authorities to exert greater tightening around care eligibility criteria.

Principal risks and uncertainties (continued)

The Group's customers expect and require high quality services and most of the Group's activities are regulated. The Group has a comprehensive and extensive quality management system. This includes a dedicated quality team which reports separately from the operational line; quality is reviewed throughout the monthly management reporting cycle, up to Board level; processes and systems are constantly reviewed for updates and improvements; there is a developed incident management system, escalating incidents and issues according to severity; the Group operates a risk-based scoring system to understand where issues may arise and quality metrics are reported through an organisation-wide IT system which tracks key quality KPIs by branch.

The Group takes its relationship with its Regulators extremely seriously in all areas in which it operates and seeks to maintain a responsible and responsive relationship with each regulator. The Group invests heavily in its Quality governance resources and is investing in new technology solutions which will further facilitate care quality assurance.

One of the Group's priorities remains to recruit, train and retain an appropriate number of carers and branch staff. At the same time this is also an area of competitive opportunity for the Group. The Group is an attractive employer *within the sector, offering better career prospects than most other operators. The Group is also committed to paying* competitive wages and supporting Local Authorities to maximise sector remuneration above National Living Wage where Local Authority charge rates allow. It has a robust recruitment and training process and is investing in initiatives to improve staff attraction and retention. This is an important area of continuous monitoring and improvement. The Group believes it has excellent training programmes and continues to invest for further development.

The Group is investing in and deploying innovative technology which it believes will make both carer and branch staff roles more rewarding and satisfying, further aiding retention. The Group is always seeking people with the right skills and values to join the business.

The Group has £216m in external debt (net of directly attributable costs). Increases in SONIA will have a detrimental cash impact as this exposure is not currently hedged. A 1 percentage point increase in SONIA equates to an additional annual interest cost of £2.2m.

Section 172(1) statement

The directors act in good faith, to promote the success of the Group for the benefit of the members as a whole. Management focus on long-term strategies in order to deliver sustainable shareholder value having regard to the sometimes conflicting needs and priorities of key stakeholders.

Directors make their decisions within the context of medium and long-term strategies and shareholder expectations on investment return. The Group has a five-year strategic plan to further leverage its strong national branch network and buy and build capabilities in order to achieve both organic and acquisitive growth.

The competing needs of the various stakeholders of the Company are monitored and reviewed at management and Board level. Where conflicting needs arise, advice is sought from the wider management team and as necessary from the Group's external advisors. Through the careful balancing of stakeholder needs, the Group seeks to promote success for the long-term benefit of shareholders.

The directors consider the key stakeholders of the Group (in addition to the shareholders) to be its service users, service funders, employees, regulators, lending partners, suppliers and HMRC. Further details on how the Group manages its relationship with service funders, employees and regulators are provided in the principal risks and uncertainties section above. Statements of engagement with employees, customers and suppliers are included within the directors' report.

The Group takes its relationship with HMRC very seriously and seeks to maintain a responsible and responsive relationship with HMRC to ensure that the Group remains compliant with its taxation obligations. The Group publishes its tax strategy on its website which covers its approach to engaging with HMRC.

Future strategy

Financial year 2024 will be a year of delivery – implementation of key recruitment focussed projects to support volume recovery and growth. Economic pressures of cost inflation and fuel prices are impacting the workforce, with fuel top-ups, employee savings platform put in place as support. A procurement program for utilities and indirect and central consumables is underway to contain and reduce costs. The Group remains focused on maintaining a high-quality service, delivered through a valued and dedicated care worker workforce. Continued tender success, supported by the continued preference for at-home delivery will deliver new organic opportunities for the Group. Further acquisition opportunities that complement the directors' objectives for the Group will be considered as and when they arise to enhance the growth potential in the business.

By order of the board

L G Krige

L Krige
Director
27 September 2023

The directors present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2023.

Principal activities and future developments

The principal activity of the Group is the provision of community homecare services across the United Kingdom. These services include support to people over sixty-five years of age, as well as young adults and children with a broad range of needs including physical and sensory impairment, mental illness, learning disabilities and a range of other complex health needs. These services are typically delivered in the service users' homes and/or administered in extra care scheme environments. During the year, through strategic acquisitions, the Group now provide care services through supported living and residential settings for young adults with learning difficulties.

The principal activity of the Company is that of a holding company for its subsidiaries. The directors propose to continue the same activities next year.

Political and charitable donations

The Group made no donations during the year (2022 £nil).

Financial risk management

Due to the nature of the Group's business and its asset and liability base, the only financial risks that the directors consider relevant to the Group are price, credit, liquidity and interest rate risk.

Price risk
Given the nature of the business in which the Group is engaged, it bears minimal risk of price inflation in the absence of any significant purchase obligations other than statutory national living wage increases.

Credit risk
The Group's exposure to credit risk is mitigated through its large customer base, minimal Group wide credit exposure on any one customer contract, its focus on long-term customer relationships and active monitoring of the credit status of overdue customer accounts.

Liquidity risk
The Group manages liquidity risk by budgeting and forecasting cash flows in the short to medium term and monitoring working capital positions on a monthly basis. Long-term liquidity is assured through committed funding arrangements to meet foreseeable peak borrowing requirements.

Interest rate risk
The Group's borrowings comprise variable rate bank loan facilities subject to changes in SONIA. The Group is, therefore, exposed to changes in SONIA on its variable rate bank loan facilities and does not have hedging in place.

Directors

The following served as directors during the year and up to the date of signing the financial statements:

G Fee	(appointed 1 April 2023)
J Thorburn-Muirhead	(resigned 9 June 2023)
N Goodban	(resigned 31 March 2023)
L Krige	

Directors' indemnities and insurance

The Group has indemnified its directors, by way of directors and officer's liability insurance, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the Report of the directors.

Going Concern

The Group had net liabilities of £83.9m at 31 March 2023 (2022; net liabilities £47m) and net current assets of £11.5m (2022; net current assets £37.8m).

The directors have reviewed the Group's cash flow forecasts and trading budgets and have formed the view that the Group is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

In the year ended 31 *March* 2023 *the Group generated cash from operations of* £11*m (2022; £36m) and after net* interest payments, corporation tax payments, receipts of new loans, and payments to acquire tangible and intangible assets has generated a net cash outflow of £20.5m (2022; inflow of £42.8m). Despite the increased interest payments, which has been considered in the Group's modelling, performance has recovered with the reduction in agency and overhead costs, completion of the model branch technology project and integration of acquisitions. The Group's cash flow forecasts continue to indicate strong cash generation which will be more than sufficient to meet all liabilities as they fall due. Those forecasts have been revisited regularly in FY23 and have been sensitised to consider a number of potential scenarios which are more adverse than those experienced to date. These scenarios include realistic consideration of volume decrease, cost control and prudent impact of charge and wage rate increases into FY25.

Group performance is covered in the monthly SLT and Group Board meetings. At points throughout the year the SLT reviews and updates the Group's risk register taking account of recent legislative, regulatory and sector changes. As required meetings are held with the debt partners and the CQC finance oversights committee. At these sector market updates, group performance and all factors that could present trading and viability risk to the Group.

Those identified key risks were centred round bank covenants positions, liquidity and regulatory enforcement action.

The CCH Group is financially supported by two debt partners, Ardian Capital and BlackRock with a 7 year facility. In December 2022 an amendment to the facility was signed to provide more headroom on the quarterly leverage covenant for the remainder of the facility. Management can comfortably predict compliance with the 30 September 2023 quarterly leverage covenant and forecast increasing headroom over the next 12 months.

On a liquidity basis the Group has sufficient funds to support performance. The Group currently has £8.3m in funds. In addition, the Group is supported by a £10m super senior facility (£3m overdraft and £7m RCF), of which £3m of the RCF is drawn, which provides working capital support to the business under a 7-year agreement. The FY24 forecast reflects the gradual market improvement with increasing performance generating cashflow to fund interest costs.

In respect to CQC/CSI/RQIA or CIW enforcement action the risk profile has improved with group ratings at 81% (previously 77%).

On the basis of the above the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Corporate governance report

In this financial year, the Group is striving towards adherence to the Wates Principles of Corporate Governance as part of an increased focus on Environmental, Social and Governance aspects of the business and to listening to its stakeholders, to continuously improving the way in which it is managed and to a focus on long-term sustainability in its key decision-making.

Work is ongoing to map our governance and compliance processes in more detail to provide assurance that the Group is operating in line with the Wates Principles but broadly, they are applied within the Group as follows.

Purpose & Leadership – the Group sets out a clear vision, mission, purpose and values and has an effective mechanism for the setting and achieving of a suitable strategy.

Board Composition – the Group's Board includes a mix of investor representatives and executive management suitable to its stage in development as a business.

Director Responsibilities – responsibility and accountability are clear through the Delegation of Authority Matrix and through allocation of annual objectives related to the Group Strategic Objectives.

Opportunity & Risk – Strategic risk and opportunity are managed through an established risk management process which sees the strategic risks managed by the Senior Leadership Team and reported to the Board.

Remuneration – The Group is committed to achieving appropriate and fair levels of remuneration at all levels of the business. Job and salary benchmarking are undertaken.

Stakeholder Relationships & Engagement – the Group's corporate governance approach is stakeholder led. Mapping of stakeholders and developing an understanding their interests is undertaken and reviewed annually. Directors are responsible for ensuring stakeholder views are taken into account when decisions are made.

The Board is responsible for setting the strategic aims and objectives for the Group. The Board meets formally every month during the year and oversees the performance of subsidiary companies. Meetings have a set agenda, papers are issued in advance and minutes are kept. There is a formal cycle for the development of annual business plans and of the medium and long-term strategy for the Group as a whole.

Board members meet to discuss specific issues periodically through the year and fulfil the functions of the following committees:

- **Audit and risk committee;** Meets at least twice a year to assist the board in fulfilling its oversight responsibilities for statutory financial reporting and the external audit process, and the system of risk management and internal control across the Group.
- **Remuneration Committee;** meets annually to discuss and approve payment of annual staff bonuses and to consider any requests for annual salary uplifts for the senior leadership team and/or material salary increases for the wider Group.
- **Investment Committee;** meets on an ad-hoc basis to discuss investment proposals, agree valuation parameters and sign-off any formal offer positions.

The Board is supported by the executive team, known as the Senior Leadership Team (SLT). The SLT monitors performance and risk and submits reports to the Board. The SLT meets monthly in person and weekly virtually. Monthly SLT meetings have a formal agenda and a forward plan, papers are issued in advance. An action tracker is maintained and minutes kept of meetings.

Employment Policy and Employee Engagement Statement

Employee engagement is fundamental to the Group's success. Regular meetings are held between management and employees across all levels of the organisation. Regular Group communications provide employees with relevant information, training and support.

Disabled employees

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the Group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the Group.

Statement of engagement with customers and suppliers

Customers

The Group strives to provide a high quality service to both our service users and service funders which is delivered through the comprehensive and extensive quality management systems as well as the recruitment, retention and training processes which are designed to ensure our carers and branch staff are equipped to provide a high quality service. The Group consults regularly with its customers through surveys as well as feedback received through direct communication with our employees.

Suppliers

Our suppliers and landlords are fundamental to our ability to deliver care. The Group aims to develop open and honest business communication with key suppliers to ensure relationships are mutually beneficial.

Environmental awareness

The Group is committed to ensuring that the environmental consequences of its operations are minimised as far as practicable. As such the Group pursues the following objectives:

- Recycling of waste where possible;
- Use of more energy efficient products and services;
- Conserving of energy and water; and
- Recycling of consumables (paper, card, ink cartridges).

The Group falls within the scope of the UK Energy Savings Opportunities Scheme (ESOS) and the Streamlined Energy and Carbon Reporting (SECR) regimes. Based on the latest SECR assessment the total energy consumption for the Group is 20.9M kWh (5,060 tonnes of carbon dioxide) which equates to an average of 352 kgCo2e/per employee which is a 14% reduction in kgCO2 per employee over the figures in the 21-22 SCER report. This includes:

- 18.8M kWh (4,650 tonnes of carbon dioxide) (2022: 25.2m kWh and 6,158.7 tonnes of carbon dioxide) to the consumption of fuel for the purpose of transport which is a 25% reduction on last year's numbers. The previous year being so much higher was likely to be due to the COVID-19 pandemic creating the need for longer travel routes for staff due to staff sickness absence and shortages and the higher number of overall FTE employees in that year;
- 1.0M kWh (198 tonnes of carbon dioxide) (2022: 1.2m kWh and 288.6 tonnes of carbon dioxide) relating to grid electricity usage which is a 13% reduction from the previous year; and
- 0.7M kWh (145 tonnes of carbon dioxide) (2022: 0.68m kWh and 165.9 tonnes of carbon dioxide) relating to grid natural gas usage which is a 5% increase on the previous year's figure.

Strategic report

The Company, and the Group, has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a review of the business, dividends paid, its principal risks, and certain information regarding future developments.

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Disclosure of information to Auditor

For all the directors at the time this report was approved, the following applies:

a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

b) each director has taken all the steps that they ought to have taken as 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.

Statement of Directors' Responsibilities in Respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, 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 Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

L G Krige

By order of the board

L Krige
Director
27 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C&C TOPCO LIMITED

Opinion

We have audited the financial statements of C&C Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, consolidated and company balance sheets, consolidated and company statement of changes in equity, consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing tax computations prepared.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C&C TOPCO LIMITED (CONTINUED)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to CQC Regulations and GDPR. We reviewed the online Care Quality Commission ratings, made enquires of authorised individuals and made enquires of those charged with governance.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Testing manual journal entries and other adjustments using data analytics software;
- Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- Cut-off testing and substantive testing procedures using financial data analytics software to validate revenue recognition throughout the year.

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Richard King

Richard King FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A, 7th Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

Date 27/09/23

C&C Topco Limited

Consolidated statement of comprehensive income
for the year ended 31 March 2023

	Note	Total 2023 £'000	Total 2022 £'000
Turnover	4	**356,311**	375,155
Cost of sales		**(255,926)**	(270,216)
Gross profit		**100,385**	104,939
Administrative expenses:			
Depreciation and amortisation		**(34,321)**	(30,256)
Other administrative expenses		**(84,948)**	(87,834)
Other operating income		**818**	13,256
Group operating (loss)/profit	6	**(18,066)**	105
Interest payable and similar expenses	9	**(26,512)**	(19,788)
Loss on ordinary activities before taxation		**(44,578)**	(19,683)
Taxation	10	**7,673**	1,026
Loss for the financial year		**(36,905)**	(18,657)

C&C Topco Limited

Consolidated balance sheet
at 31 March 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Intangible assets	11		114,602		138,865
Tangible assets	12		8,755		8,624
			123,357		147,489
Current assets					
Debtors	14	41,309		60,577	
Cash at bank and in hand		7,905		24,038	
		49,214		84,615	
Creditors: amounts falling due within one year	15	(37,698)		(46,773)	
Net current assets			11,516		37,842
Total assets less current liabilities			134,873		185,331
Creditors: amounts falling due after more than one year	16		(217,673)		(216,711)
Provisions for liabilities	18		(1,147)		(15,662)
Net liabilities			(83,947)		(47,042)
Capital and reserves					
Called up share capital	19		-		-
Profit and loss account			(83,947)		(47,042)
Total equity			(83,947)		(47,042)

The financial statements on pages 15 to 43 were approved by the board of directors and authorised for issue on 27 September 2023, and are signed on its behalf by:

L G Krige

L Krige
Director

Company number 08794967

C&C Topco Limited

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2021	**2**	**103,911**	**(132,299)**	**(28,386)**
Capital reduction	(2)	(103,911)	103,913	-
Loss for the financial year	-	-	(18,656)	(18,656)
At 31 March 2022	**-**	**-**	**(47,042)**	**(47,042)**
Loss for the financial year	-	-	(36,905)	(36,905)
At 31 March 2023	**-**	**-**	**(83,947)**	**(83,947)**

C&C Topco Limited

Consolidated statement of cash flows
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Loss for the financial year		(36,905)	(18,656)
Adjustments for:			
Depreciation and amortisation of fixed assets		34,321	30,256
Net interest payable		26,512	19,788
Taxation		(7,673)	(1,026)
Decrease in trade and other debtors		6,787	11,762
increase in creditors		(11,299)	(6,403)
(Increase) / Decrease in provisions		(368)	306
Cash generated from operations		11,375	36,027
Interest paid		(23,349)	(16,941)
Taxation received / (paid)		1,661	(4,006)
Net cash generated (used in) / from operating activities		(10,313)	15,080
Investing activities			
Purchases of tangible fixed assets		(3,418)	(3,836)
Purchase of subsidiary undertakings	15	(3,000)	(44,034)
Purchase of intangible assets		(6,771)	(4,775)
Cash acquired with subsidiary undertaking	21	-	2,454
Net cash used in investing activities		(13,189)	(50,191)
Financing activities			
Debt issue cost		(631)	(277)
New bank loans		-	36,300
Amounts borrowed from parent undertaking	22	8,000	63
Net cash inflow from financing activities		7,369	36,086
Net (decrease) / increase in cash and cash equivalents		(16,133)	975
Cash and cash equivalents at beginning of year		24,038	23,063
Cash and cash equivalents at end of year		7,905	24,038
Cash and cash equivalents consist of:			
Cash at bank and in hand		7,905	24,038

C&C Topco Limited

Company balance sheet
at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Investments	13	99,053	99,053
Current assets			
Debtors	14	2,571	2,571
Creditors: amounts falling due within one year	15	(2,948)	(2,948)
Net current liabilities		(377)	(377)
Total assets less current liabilities		98,676	98,676
Creditors: amounts falling due after more than one year	16	-	-
Net assets		98,676	98,676
Capital and reserves			
Called up share capital	19	-	-
Profit and loss account		98,676	98,676
Total equity		98,676	98,676

As permitted by s408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's loss and total comprehensive income for the year was £nil (2022: £nil).

The financial statements on pages 15 to 43 were approved by the board of directors and authorised for issue on 27 September 2023, and are signed on its behalf by:

L G Krige

L Krige
Director

Company number 08794967

C&C Topco Limited

Company statement of changes in equity
for the year ended 31 March 2023

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2021	2	103,011	(5,237)	98,676
Capital reduction	(2)	(103,911)	103,913	-
Loss for the financial year	-	-	-	-
At 31 March 2022	**-**	**-**	**98,676**	**98,676**
Result for the financial year	-	-	-	-
At 31 March 2023	**-**	**-**	**98,676**	**98,676**

1 Corporate information

C&C Topco Limited (the 'Company') and its subsidiary undertakings (together referred to as the 'Group') operate as providers of mainly community homecare services across the United Kingdom.

The Company is a private company limited by shares and is registered and domiciled in England. The address of its registered office is Cardinal House, Abbeyfield Court, Abbeyfield Road, Nottingham, NG7 2SZ.

The Group consists of C&C Topco Limited and all of its subsidiaries.

2 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

Inter-company balances, transactions and unrealised gains and losses on transactions between Group companies are eliminated on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

3 Summary of significant accounting policies *(continued)*

Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below:

Key sources of estimation uncertainty:
- Determining the fair value of assets and liabilities acquired in business combinations and any contingent consideration payable in the future. There were no acquisitions in the year. and
- Determining the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers various factors, including the ageing profile of the debtor and historical experience (note 14).

Key areas of judgement:
- Determining whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Parent company disclosure exemptions
The Company is a qualifying entity for the purposes of FRS 102, being a member of a Group where the parent of that Group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- Only one reconciliation of the number of shares outstanding at the beginning and at end of the year have been presented as the reconciliations for the Group and Company would be identical;
- Disclosures in respect of the Company's financial instruments as required by paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, have not been presented as the information is provided for the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as required by paragraph 33.7 as their remuneration is included in the totals for the Group as a whole.

The financial statements of the Company are consolidated in these financial statements.

New standards
No new accounting standards, or amendments to accounting standards, that are effective for the year ended 31 March 2023, have had a material impact on the Group.

3 Summary of significant accounting policies *(continued)*

Going Concern
The Group had net liabilities of £83.9m at 31 March 2023 (2022; net liabilities £47m) and net current assets of £11.5m (2022; net current assets £37.8m).

The directors have reviewed the Group's cash flow forecasts and trading budgets and have formed the view that the Group is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

In the year ended 31 March 2023 the Group generated cash from operations of £11m (2022; £36m) and after net interest payments, corporation tax payments, and payments to acquire tangible and intangible assets has generated a net cash outflow of £20.5m (2022; inflow of £42.8m). Despite the increased interest payments, which has been considered in the Group's modelling, performance has recovered with the reduction in agency and overhead costs, completion of the model branch technology project and integration of acquisitions. The Group's cash flow forecasts continue to indicate strong cash generation which will be more than sufficient to meet all liabilities as they fall due. Those forecasts have been revisited regularly in FY24 and have been sensitised to consider a number of potential scenarios which are more adverse than those experienced to date . These scenarios include realistic consideration of volume decrease, cost control and prudent impact of charge and wage rate increases into FY25.

Group performance is covered in the monthly SLT and Group Board meetings. At points throughout the year the SLT reviews and updates the Group's risk register taking account of recent legislative, regulatory and sector changes. As required meetings are held with the debt partners and the CQC finance oversights committee. At these sector market updates, group performance and all factors that could present trading and viability risk to the Group.

Those identified key risks were centred round bank covenants positions, liquidity and regulatory enforcement action.

The CCH Group is financially supported by two debt partners, Ardian Capital and BlackRock with a 7-year facility. In December 2022 an amendment to the facility was signed to provide more headroom on the quarterly leverage covenant for the remainder of the facility. Management can comfortably predict compliance with the 30 September 2023 quarterly leverage covenant and forecast increasing headroom over the next 12 months.

On a liquidity basis the Group has sufficient funds to support performance. The Group currently has £8.3m in funds. In addition, the Group is supported by a £10m super senior facility (£3m overdraft and £7m RCF), of which £3m of the RCF is drawn, which provides working capital support to the business under a 7-year agreement. The FY24 forecast reflects the gradual market improvement with increasing performance generating cashflow to fund interest costs.

In respect to CQC/CSI/RQIA or CIW enforcement action the risk profile has improved with group ratings at 81% (previously 77%).

On the basis of the above the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover
Turnover represents the amounts receivable from the provision of community homecare, extra care, complex, supported and residential care services. Turnover is stated net of value added tax and is recognised in the profit and loss account when the service is provided to the customer.

3 Summary of significant accounting policies *(continued)*

Government Grants
Income from government grants is presented within other operating income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Grants are recognised as income when the associated performance conditions are met.

Exceptional items
The Group classifies certain items, that are non-routine, one-off, or otherwise not part of the underlying trade, that have a material impact, by amount or nature, on the Group's financial results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the Group.

Employee benefits
The Group provides a range of benefits to employees including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as expenses in the period in which the service is received.
(ii) Pension plans
Amounts charged to the profit and loss account in respect of pension costs represents the contributions payable in the period to auto-enrolment schemes. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

3 Summary of significant accounting policies *(continued)*

(iii) Annual bonus plan
The Group operates an annual bonus plan for certain employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Current and deferred taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or 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's subsidiaries operate and generate taxable income.

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

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Business combinations and goodwill
Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

Contingent consideration is initially recognised at its estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination. Transaction fees associated with the business combination if identified are capitalised as part of the investment.

On acquisition of a business, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') expected to benefit from the combination. Goodwill is amortised over its expected useful life of 5-10 years. Goodwill is assessed for impairment when indicators of impairment present, any impairment is charged to the profit and loss account. Where the fair value of the Group's interest in the assets, liabilities and contingent liabilities acquired exceed the cost of the business combination, negative goodwill arises. The Group, after consideration of the assets, liabilities and contingent liabilities acquired and the cost of the combination, recognises negative goodwill on the balance sheet and releases this to the profit and loss account, up to the fair value of the non-monetary assets acquired, over the periods in which the non-monetary assets are recovered and any excess over the fair value of the non-monetary assets in the profit and loss account over the period expected to benefit.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

3 Summary of significant accounting policies *(continued)*

Intangible assets (other than goodwill)
Intangible assets are stated at cost less amortisation. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Customer contracts	5 to 10 years
Brands	5 to 10 years
Software	3 to 9 years

Amortisation is charged to administrative costs in the profit and loss account. Where factors indicate that the useful life has changed, the amortisation rate is amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if factors indicate that the carrying amount may be impaired.

Tangible fixed assets
Tangible fixed assets are stated at cost less depreciation. 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.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Leasehold improvements	The term of the lease
Motor vehicles	5 years
Fixtures, fittings and equipment	5 years

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

Impairment of fixed assets and goodwill
Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Operating leases
Annual rents are charged to the profit or loss account on a straight-line basis over the term of the lease.

Investments
Investments held as fixed assets are stated at cost less any provision for impairment.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

3 Summary of significant accounting policies *(continued)*

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provision for onerous leases relates to unoccupied properties held by the Group under operating leases. The provision recognised represents the lease cost of exiting the contract offset by any benefits expected to be received.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss. Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities
Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Debt issue costs relating to facilities are amortised to the profit and loss account over the expected period of the financing until completion.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled, or they expire.

3 Summary of significant accounting policies *(continued)*

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

The Group uses interest rate swaps to hedge exposure to interest rate risks from financing activities. The Group does not apply hedge accounting and derivative financial instruments are accounted for as trading instruments.

Share capital

Ordinary shares are classified as equity.

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

4 Analysis of turnover

	2023 £'000	2022 £'000
Analysis by class of business		
Homecare	232,539	266,943
Extra Care Schemes	41,746	41,235
Complex Care	50,240	61,560
Supported Living	31,786	5,417
	356,311	375,155

Turnover arose entirely in the United Kingdom.

5 Auditor remuneration

During the year the Group obtained the following services from the Group's auditors RSM UK Audit LLP as detailed below:

	2023 £'000	2022 £'000
Audit services:		
Fees payable for the audit of the Company and Group financial statements	225	144
Fees payable for the audit of the Company's subsidiaries	-	106
	225	250

6 Loss before taxation

This is stated after charging / (crediting):	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	3,287	2,924
Amortisation of intangible assets, including goodwill	31,034	27,332
Operating lease costs – land and buildings	3,601	4,080
The following items which the directors consider exceptional in nature:		
Recognised in administrative expenses		
- Employment related restructuring costs	3,226	2,148
- Other legal and professional costs	403	898
- Contract mobilisation and demobilisation costs	622	619
- Covid-19 related costs	6,570	11,029
- Transition costs relating to acquisitions	-	297
Recognised in other income		
- Covid-19 related income	(818)	(12,730)

Other legal and professional costs primarily relate to the exit of onerous leases.

Acquisition transition costs represent restructuring costs incurred in the full integration of acquired entities into the C&C group structure. These costs primarily relate to the integration and dual running of back office functions including Finance, HR and IT coupled with the integration cost of IT standardisation.

Government grants
The loss before taxation is stated after recognising other income in relation to the following government grants:

- £nil (2022: £526k) relating to amounts claimed from the Coronavirus Job Retention Scheme for clinically extremely vulnerable employees who were placed on furlough during the year. That grant funding has not been treated as exceptional in the above table as it was entirely offset as a pass through to staff through wage and salary payments.
- £818k (2022: £12,730k) relating to amounts received from the Adult Social Care Infection Control Fund and similar funding initiatives. That funding was utilised to contribute towards the £6,570k (2022; £11,029k) of incremental Covid-19 costs incurred to put in place measures to reduce the risk of Covid-19 transmission. This income, and those costs, have been treated as exceptional in the above table.

7 Staff costs (including directors)

	2023 £'000	2022 £'000
Wages and salaries	254,791	290,637
Social security costs	22,199	21,495
Pension costs	5,278	5,188
	282,268	317,320

The pension cost charge represents contributions payable by the Group in respect of auto-enrolment schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. Contributions amounting to £758k (2022: £537k) are included in accruals at the year end. The Company has no staff costs during year (2022: £nil).

The average monthly number of employees (including directors) during the year was as follows:

	2023 Number	2022 Number
Branch management and administration	1,552	1,599
Care and support workers (full and part-time)	12,842	15,927
	14,394	17,526

During the year the Company had 3 directors (2022: 3).

8 Directors' remuneration and key management personnel

Directors' remuneration

	2023 £'000	2022 £'000
Aggregate emoluments (excluding pension contributions)	771	696

During the year retirement benefits were accruing to 3 directors (2022: 3) in respect of defined contribution pension schemes.

Pension contributions were made in the year totalling £23,813 (2022: £3,852). Emoluments of the highest paid director are as follows:

	2023 £'000	2022 £'000
Aggregate emoluments (excluding pension contributions)	318	300
Pension contributions	1	1

No emoluments were paid to the directors for services to the Company (2022: £nil).

8 Directors' remuneration and key management personnel *(continued)*

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel.

	2023 £'000	2022 £'000
Total remuneration (excluding pension contributions)	1,832	1,483

Pension contributions were made in the year totalling £58,075 (2022: £6,494).

9 Interest payable and similar expenses

	2023 £'000	2022 £'000
Bank loans and overdrafts	23,349	16,941
Amortisation of debt issue costs	3,163	2,847
	26,512	19,788

10 Taxation

The taxation credit/(charge) is made up as follows:

	2023 £'000	2022 £'000
Current tax		
UK corporation tax	-	235
Adjustments to previous periods	1,566	(466)
Total current tax charge / (credit)	1,566	(231)
Deferred tax		
Origination and reversal of timing differences	(4,573)	(1,780)
Adjustments to previous periods	(1,185)	(727)
Effective rate change	-	1,712
Deferred tax asset on CIR	(3,481)	-
Total deferred tax credit	(8,213)	(795)
Total tax credit for the year	(7,673)	(1,026)

10 Tax credit on loss on ordinary activities *(continued)*

(a) Factors affecting tax credit for the year:

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2023 £'000	2022 £'000
Loss on ordinary activities before tax	(44,578)	(19,683)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2021: 19%)	(8,470)	(3,740)
Effects of:		
Expenses not deductible for tax purposes	1,938	-
Movement on fixed asset timing differences	5,451	4,855
Adjustments to previous periods	383	(1,193)
Other timing differences	(2,396)	719
Additions to intangibles	-	(3,885)
Rate change	(1,098)	2,218
Deferred tax asset on CIR	(3,481)	
Total tax charge for year	(7,673)	(1,026)

(b) Factors that may affect future taxation:

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Substantive enactment occurred on 24 May 2021 therefore its effects have been included in these financial statements. The deferred tax balances within these financial statements have been calculated at 19% or 25% depending on when the related timing difference will reverse (2022: 19%).

It was subsequently announced in September 2022 that the corporation tax rate is to remain at 19% until 2023/24. Any enacted changes to deferred tax will be reflected in the 2023 financial statements.

11 Intangible assets

Group	Software £'000	Customer contracts £'000	Brands £'000	Goodwill on consolidation £'000	Total £'000
Cost					
At 1 April 2022	15,166	125,908	21,844	148,389	311,307
Additions	5,853	-	-	918	6,771
At 31 March 2023	21,019	125,908	21,844	149,307	318,078
Accumulated Amortisation					
At 1 April 2022	5,354	81,177	13,257	72,654	172,442
Provided during the year	1,389	10,173	2,431	17,041	31,034
At 31 March 2023	6,743	91,350	15,688	89,695	203,476
Net book value					
At 31 March 2023	14,276	34,558	6,156	59,612	114,602
At 31 March 2022	9,812	44,731	8,587	75,735	138,865

The amortisation of goodwill and other intangibles is included within administrative expenses.

The Company has no intangible fixed assets at 31 March 2023 or 31 March 2022.

12 Tangible fixed assets

Group	Leasehold improvements £'000	Motor Vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 April 2022	267	214	22,233	22,714
Additions	-	-	3,418	3,418
At 31 March 2023	267	214	25,651	26,132
Accumulated Depreciation				
At 1 April 2022	267	214	13,609	14,090
Charge for the year	-	-	3,287	3,287
At 31 March 2023	267	214	16,896	17,377
Net book value				
At 31 March 2023	-	-	8,755	8,755
At 31 March 2022	-	-	8,624	8,624

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

13 Investments

The following information relates to those undertakings which are owned by the Group.

Name of company	Country of incorporation or registration	Class of share capital held	Share capital held	Nature of business
C&C Midco Ltd *	United Kingdom (1)	Ordinary	100%	Holding Company
C&C Holdco Ltd **	United Kingdom (1)	Ordinary	100%	Holding Company
C&C Bidco Ltd **	United Kingdom (1)	Ordinary	100%	Holding Company
City and County Healthcare Holdings Ltd **	United Kingdom (1)	Ordinary	100%	Holding Company
City and County Healthcare Group Ltd **	United Kingdom (1)	Ordinary	100%	Holding Company
London Care Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Guardian Homecare UK Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Quality Care Services Ltd **	United Kingdom (2)	Ordinary	100%	Community Homecare
Care Line Homecare Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Custom Care Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Sage Care Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Conard Care Services Ltd **	United Kingdom (3)	Ordinary	100%	Community Homecare
Help at Home (Egerton Lodge) Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Comfort Call Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
ISS Healthcare Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Kent Social Care Professionals Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Independent Community Care Management Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
AbaCaredig Holdings Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
Bluetree Healthcare Ltd**	United Kingdom (1)	Ordinary	100%	Agency
S C P Recruitment Ltd**	United Kingdom (1)	Ordinary	100%	Agency
Your Care Job Ltd**	United Kingdom (1)	Ordinary	100%	Dormant
SCRT Ltd **	United Kingdom (4)	Ordinary	100%	Community Homecare
Constance Care Ltd **	United Kingdom (4)	Ordinary	100%	Community Homecare
Certus Ltd **	United Kingdom (1)	Ordinary	100%	Dormant
Home Life Carers Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
The Human Support Group Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Total Community Care Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Advance Health Care UK Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Advantage Healthcare Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare

13 Investments *(continued)*

MiHomecare Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Complete Care Holdings Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Amegreen Complex Care Limited**	United Kingdom (1)	Ordinary	100%	Community Homecare
Noble Live-In Care Limited**	United Kingdom (1)	Ordinary	100%	Community Homecare
Eclipse Homecare Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Care by Us Ltd **	United Kingdom (1)	Ordinary	100%	Community Homecare
*The Jon Fleming Group***	United Kingdom (4)	Ordinary	100%	Community Homecare
Advanced Care Services Ltd**	United Kingdom (4)	Ordinary	100%	Community Homecare
Mochridhe Ltd**	United Kingdom (4)	Ordinary	100%	Community Homecare
North East Community Care Limited**	United Kingdom (4)	Ordinary	100%	Community Homecare
Mochridhe (Edinburgh and Lothians) Ltd**	United Kingdom (4)	Ordinary	100%	Community Homecare
Raynsford Care Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Midway Care Group Holdings Limited**	United Kingdom (1)	Ordinary	100%	Community Homecare
Livewell (Holdings) Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Midway Care Group Limited**	United Kingdom (1)	Ordinary	100%	Community Homecare
Livewell (Care & Support) Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Pharos Care Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Pharos Support Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Midway Care Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Midway Support Services Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare
Midway Care Group Contracts Ltd**	United Kingdom (1)	Ordinary	100%	Community Homecare

* Directly held by Company
** Exempt from audit by virtue of S479A of Companies Act 2006 as C&C Topco Limited provided the required guarantee
(1) Registered office at Cardinal House, Abbeyfield Court, Abbeyfield Road, Nottingham, England, NG7 2SZ
(2) Registered office at 337 Castlereagh Road, Belfast, Northern Ireland, BT5 6AB
(3) Registered office at 1st Floor Sketrick House, 16 Jubilee Road, Newtownards, Northern Ireland, BT23 4YH
(4) Registered office at 14 City Quay, Camperdown Street, Dundee, Scotland, DD1 3JA

C&C Midco Limited is the only subsidiary undertaking which is 100% directly owned by the Company. The Company has a shareholding amounting to £99m (2022: £99m) in this entity.

14 Debtors

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade debtors	21,833	26,774	-	-
Amounts owed by parent undertaking	-	2,987	-	-
Amounts owed by group undertakings	-	-	2,571	2,571
Other debtors	986	4,509	-	-
Deferred tax asset	-	4,904	-	-
Prepayments and accrued income	17,127	18,236	-	-
Debt issue costs	1,363	2,936	-	-
Corporation tax receivable	-	231	-	-
	41,309	60,577	2,571	2,571

Trade debtors are stated after the provision for impairment of £756k (2022: £1.1m).

Prepayments and accrued income includes £3,366k (2022: £3,576k) in relation to prepayments and £13,761k (2022: £14,660k) in relation to accrued income.

All amounts shown under debtors fall due for payment within one year. Amounts owed by parent and group undertakings are unsecured, have no fixed date of repayment and bear no interest.

The deferred tax asset relates to losses and the corporate interest rate restriction available to deduct in future tax computations (note 18).

15 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Amounts owed to group undertakings	5,012	-	2,945	2,945
Corporation tax payable	195	-	-	-
Trade creditors	3,018	2,527	-	-
Other taxation and social security	3,719	4,206	-	-
Other creditors	1,537	2,606	-	-
Accruals and deferred income	24,217	37,434	3	3
	37,698	46,773	2,948	2,948

Amounts owed to group undertakings are repayable on demand.

Accruals and deferred income includes £4,414k (2022: £6,533k) in relation to deferred income and £nil (2022: £3,000k) in relation to deferred consideration on acquisitions.

16 Creditors: amounts falling due after more than one year

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Bank loans (note 17)	217,673	216,711	-	-
	217,673	216,711	-	-

17 Borrowings

Group	Bank loans & overdraft 2023 £'000	Debt Issue costs 2023 £'000	Total 2023 £'000
Amounts falling due:			
In one year or less, or on demand	-	(1,363)	(1,363)
In more than one year but not more than two years	-	(477)	(477)
In more than two years but not more than five years	-	-	-
After more than five years	218,150	-	218,150
	218,150	(1,840)	216,310

	Bank loans & overdraft 2022 £'000	Debt Issue costs 2022 £'000	Total 2022 £'000
Amounts falling due:			
In one year or less, or on demand	-	(2,936)	(2,936)
In more than one year but not more than two years	-	(1,223)	(1,223)
In more than two years but not more than five years	-	(216)	(216)
After more than five years	218,150	-	218,150
	218,150	(4,375)	213,775

17 Borrowings *(continued)*

	Balance at 31 March 2023 £'000	Interest rate %	Maturity
Issued by C&C Bidco Limited:			
Bank loan Unitranche facility	97,000	SONIA + 6.75 – 8	November 2027
Bank loan Incremental facility	61,150	SONIA + 6.75 – 8	November 2027
Acquisition facility	40,118	SONIA + 6.75 – 8	November 2027
Porting facility	19,882	SONIA + 6.75 – 8	November 2027
Revolving credit facility	-	3.15 – 3.9	

With effect from 1 January 2022 the bank loan was amended to change from interest of LIBOR to SONIA + 6.75 – 8. No other terms were amended. The company accounted for the change in interest based on LIBOR to SONIA using the practical expedient in FRS102, which allows the group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate. In December 2022 an amendment to the facility was signed to provide more headroom on the quarterly leverage covenant for the remainder of the facility.

In addition to the above relating to bank loans, the Group pays a 1.56% (2022: 1.56%) facility fee in respect of the unutilised portion of the revolving credit facility, 2.1% (2022: 2.1%) on the unused amounts in respect of the acquisition facility with an undrawn facility at year end of £nil (2022: £nil) and 2.25% (2022: 2.25%) on the unused amounts in respect of the acquisition facility (Blackrock) with an undrawn facility at year end of £nil (2022: £nil), the group decided to cancel this facility in May 2023. The revolving credit facility is available to finance working capital requirements and for general corporate purposes. At 31 March 2023, the Group has drawn down £nil of the revolving credit facility (2022: £nil) with an undrawn facility available of £7m. In the year, the Group incurred £0.6m of debt issue costs due to the amendment to the facility.

The bank loans are secured on the assets of the Group and are subject to certain customary financial and non-financial banking covenants with which the Group must comply. The bank loans are repayable on maturity but may become repayable earlier if covenant conditions are not met.

18 Provisions for liabilities and charges

Group	Deferred taxation £'000	Dilapidations £'000	Onerous lease £'000	Total £'000
At 1 April 2022	14,143	1,145	374	15,662
Created during the year	-	246	16	262
Release of provision	-	-	-	-
Utilised during the year	(14,143)	(444)	(190)	(14,777)
At 31 March 2023	-	947	200	1,147

The Company had no provisions in either the current or prior years.

Dilapidation provisions
Provision for dilapidations represents the estimated cost of repairs required under all current property rentals prior to the end of the lease term.

Onerous lease provisions
Provision for onerous leases relates to unoccupied properties held by the Group under operating leases. The provision recognised represents the lease cost of exiting the contract offset by any benefits expected to be received.

Deferred taxation

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Business combinations	10,320	13,471	-	-
Accelerated capital allowances	512	672	-	-
Deferred tax asset on losses	(7,351)	-	-	-
Deferred tax asset on CIR	(3,481)	-	-	-
Deferred tax liabilities	-	14,143	-	-

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Tax losses	-	4,904	-	-
Deferred tax assets	-	4,904	-	-

The deferred tax asset is expected to reverse within 36 months and relates to the utilisation of tax losses against future expected profits of the same period. At the year end the deferred tax asset not recognised in respect of the corporate interest rate restriction amounted to £2,023k.

The deferred tax liability primarily relates to temporary timing differences on customer contracts and brand acquired through business combinations. These balances are expected to reverse over the useful economic life of the customer contract and brand to which they relate (5 – 10 years) in line with the respective amortisation charge.

19 Share capital and reserves

Company and Group	2023 £	2022 £
Allotted, called up and fully paid:		
1 (2022: 1) ordinary shares of 1p each	0.01	0.01
	0.01	0.01

The rights of the shares are as follows:

Ordinary:
These shares have full voting rights. They rank pari passu with all other shares of the Company in respect of dividend payments and return of capital.

Profit and loss reserves
Profit and loss reserves comprise of the cumulative profit or loss net of distributions to owners.

20 Contingent liabilities and capital commitments

Group
There are no material contingent liabilities or capital commitments (2022: £nil).

Company
In order for the subsidiary companies as noted in note 13 to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 31 March 2023 until those liabilities are satisfied in full.

21 Commitments under operating leases

Lessee
The Group had minimum lease payments under non-cancellable operating leases as set out below:

	2023 £'000	2022 £'000
Not later than 1 year	2,726	2,095
Later than 1 year and not later than 5 years	2,781	3,587
Later than 5 years	-	70
	5,507	5,752

The Company had no commitments under non-cancellable operating leases as at the balance sheet date.

22 Related party disclosures

Amounts due/(owed) to/from related parties at 31 March

Summary of transactions with company under common directorship

Group	2023 £'000	2022 £'000
CCH SP JCO Limited (Parent Company)	5,012	(2,987)

During FY23 £8m was borrowed from CCH SP JCO Limited (Parent Company) with no interest charged in the year.

Key management personnel
Key management personnel is disclosed within note 8 of the accounts.

24 Ultimate controlling party

The company is a subsidiary of CCH SP JCO Limited, a company incorporated in Jersey.

The majority of the equity shareholding is held by Summit Partners Growth Equity Fund X, a series of limited liability partnerships. Accordingly, the directors believe there is no ultimate controlling party. The largest and smallest group for which group financial statements are prepared is that of C&C Topco Limited.

25 Analysis of change in net cash/(debt)

Group	1 April 2022 £'000	Cashflow £'000	31 March 2023 £'000
Cash at bank and in hand	24,038	(16,133)	**7,905**
Loans	(218,150)	-	**(218,150)**
	(194,112)	(16,133)	**(210,245)**

26 Subsequent Events

The Group and Company have evaluated the subsequent events occurring after the year end date of 31 March 2023 and determined that there have been no such events occurred which would require additional adjustments to our disclosures reported in the financial statements.