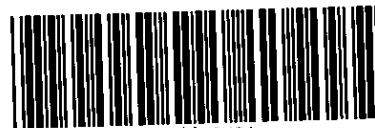


Registration number: 13181399

SONDERWELL TOPCO LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SATURDAY



AD00EQU9

A20

30/03/2024

#141

COMPANIES HOUSE

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

SONDERWELL TOPCO LIMITED

CONTENTS

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Consolidated Profit and Loss Account	9
Consolidated Balance Sheet	10
Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 to 28

SONDERWELL TOPCO LIMITED

COMPANY INFORMATION

Directors	M T Biddulph
	D J Cole
	J M Lee
	G Walsh
Registered office	Suite A
	Ground Floor Trinity Court
	Molly Millars Lane
	Wokingham
	RG41 2PY
Auditors	Hazlewoods LLP
	Windsor House
	Bayshill Road
	Cheltenham
	GL50 3AT

SONDERWELL TOPCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023. The comparative period is from 5 February 2021 to 31 March 2022.

Principal activity

The principal activity of the group is as a holding company. The principal activity of the group is the provision of care services.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show turnover of £40,784,340 (2022 - £29,215,896) and an operating loss of £5,121,877 (2022 - £2,716,427). At 31 March 2023, the group had net liabilities of £18,787,965 (2022 - £6,587,714). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

Section 172 statement

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The group has considered the long-term strategy of the business and consider that this strategy will continue to deliver long term success to the business and its stakeholders.

The group is committed to maintaining an excellent reputation and strives to achieve high standards. We are highly selective about which co-contractors are used to deliver best value while maintaining an awareness of the environmental impact of the work that they do and strive to reduce their carbon footprint.

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the company are considered to be the employees, suppliers and service users.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the group.

As part of the management accounts, the directors use Key Performance Indicators ('KPIs') to assist in the understanding of the development, performance and position of the business of the group. The KPIs used by the group to measure its own performance include divisional revenue, adjusted operating profit, adjusted operating margin, hours of care provided, new care contracts won, Care Quality Commission (CQC) ratings and operating cash flow conversion.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The Board constantly monitors the group's trading results and revises projections as appropriate to ensure that the group can meet its future obligations as they fall due.

The group's bank loans and loan notes are subject to price and cash flow risk as disclosed in note 16 to the financial statements. The group has also limited its exposure to interest rate fluctuations through the purchase of an interest rate cap.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the effects of increasing competition, the recruitment and retention of carers and ongoing compliance with current and future legislation affecting the sector.

27/3/2024

Approved by the Board on and signed on its behalf by:

David Cole

.....
D J Cole
Director

John Lee

.....
J M Lee
Director

SONDERWELL TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the consolidated financial statements for the year ended 31 March 2023. The comparative period is from 5 February 2021 to 31 March 2022.

Directors of the company

The directors who held office during the year were as follows:

K R Y Chotai (resigned 31 August 2022)

C A Dube (resigned 2 June 2023)

P Hayes (resigned 19 September 2023)

G L Minns (resigned 2 June 2023)

D J Quinn (resigned 1 March 2023)

The following directors were appointed after the year end:

M T Biddulph (appointed 2 June 2023)

D J Cole (appointed 1 July 2023)

J M Lee (appointed 20 September 2023)

G Walsh (appointed 2 June 2023)

A Patel (appointed 2 June 2023 and resigned 2 November 2023)

Employment of disabled persons

The group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The group encourages the involvement of employees in its management through regular meetings.

Future developments

Future prospects remain very strong, underpinned by both the ageing population and ongoing Government policy of promoting care in the community. Post year end the group has sold its domiciliary care business for £100,000 and continues to deliver complex care and live in care services. Whilst the short term environment is expected to remain competitive, the directors remain confident that the group will continue to improve its current level of performance in the future and will continue to trade as a going concern.

Going concern

The Group meets its day-to-day working capital requirements through free cash and its acquisition requirements through senior debt facilities and shareholder funding where required. The Group's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, show that the Group is expected to be able to operate within the level of its current funding facilities. The group has been provided with a statement of support from the shareholders, who intend to support the group if necessary enabling the group to remain a going concern.

Overall, the Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SONDERWELL TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

27/3/2024

Approved by the Board on and signed on its behalf by:

David Cole

.....
D J Cole
Director

John Lee

.....
J M Lee
Director

SONDERWELL TOPCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SONDERWELL TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SONDERWELL TOPCO LIMITED

Opinion

We have audited the financial statements of Sonderwell Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

SONDERWELL TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SONDERWELL TOPCO LIMITED

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 5, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

SONDERWELL TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SONDERWELL TOPCO LIMITED

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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.

Simon Worsley

Simon Worsley (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

27/3/2024

Date:

SONDERWELL TOPCO LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Year ended 31 March 2023 £	5 February 2021 to 31 March 2022 £
Turnover	3	40,784,340	29,215,896
Cost of sales		<u>(27,644,086)</u>	<u>(19,731,525)</u>
Gross profit		13,140,254	9,484,371
Administrative expenses		(18,262,131)	(12,248,444)
Other operating income	4	<u>-</u>	<u>47,647</u>
Operating loss	5	(5,121,877)	(2,716,426)
Other interest receivable and similar income	6	1,042	1,209
Interest payable and similar charges	7	<u>(7,024,164)</u>	<u>(4,292,574)</u>
Loss before tax		(12,144,999)	(7,007,791)
Taxation	11	<u>(55,252)</u>	<u>(79,923)</u>
Loss for the financial year		<u>(12,200,251)</u>	<u>(7,087,714)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(12,200,251)</u>	<u>(7,087,714)</u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

SONDERWELL TOPCO LIMITED**(REGISTRATION NUMBER: 13181399)****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023**

	Note	31 March 2023 £	31 March 2022 £
Fixed assets			
Intangible assets	12	44,079,361	33,489,946
Tangible assets	13	<u>246,032</u>	<u>211,014</u>
		<u>44,325,393</u>	<u>33,700,960</u>
Current assets			
Debtors	16	9,037,290	10,277,954
Cash at bank and in hand		<u>2,206,393</u>	<u>2,567,848</u>
		11,243,683	12,845,802
Creditors: Amounts falling due within one year	17	<u>(7,833,462)</u>	<u>(4,567,133)</u>
Net current assets		<u>3,410,221</u>	<u>8,278,669</u>
Total assets less current liabilities		47,735,614	41,979,629
Creditors: Amounts falling due after more than one year	17	(66,501,611)	(48,566,079)
Provisions for liabilities	11	<u>(21,968)</u>	<u>(1,264)</u>
Net liabilities		<u>(18,787,965)</u>	<u>(6,587,714)</u>
Capital and reserves			
Called up share capital	20	5,000	5,000
Share premium reserve		495,000	495,000
Profit and loss account		<u>(19,287,965)</u>	<u>(7,087,714)</u>
Equity attributable to owners of the company		<u>(18,787,965)</u>	<u>(6,587,714)</u>
Total equity		<u>(18,787,965)</u>	<u>(6,587,714)</u>

27/3/2024

Approved and authorised by the Board on and signed on its behalf by:

*David Cole*D J Cole
Director*John Lee*J M Lee
Director

The notes on pages 15 to 28 form an integral part of these financial statements.

SONDERWELL TOPCO LIMITED

(REGISTRATION NUMBER: 13181399)
BALANCE SHEET AS AT 31 MARCH 2023

	Note	31 March 2023 £	31 March 2022 £
Fixed assets			
Investments	14	<u>3,570,892</u>	<u>3,570,892</u>
Current assets			
Debtors	16	8,422,684	5,629,252
Creditors: Amounts falling due within one year	17	<u>(215,992)</u>	<u>(201,575)</u>
Net current assets		<u>8,206,692</u>	<u>5,427,677</u>
Total assets less current liabilities		11,777,584	8,998,569
Creditors: Amounts falling due after more than one year	17	<u>(13,099,794)</u>	<u>(9,093,588)</u>
Net liabilities		<u>(1,322,210)</u>	<u>(95,019)</u>
Capital and reserves			
Called up share capital	20	5,000	5,000
Share premium reserve		495,000	495,000
Profit and loss account		<u>(1,822,210)</u>	<u>(595,019)</u>
Total equity		<u>(1,322,210)</u>	<u>(95,019)</u>

The company made a loss after tax for the financial year of £1,227,191 (2022 - loss of £595,019).

27/3/2024

Approved and authorised by the Board on and signed on its behalf by:

David Cole

.....
D J Cole
Director

John Lee

.....
J M Lee
Director

The notes on pages 15 to 28 form an integral part of these financial statements.

SONDERWELL TOPCO LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2022	5,000	495,000	(7,087,714)	(6,587,714)
Loss for the year	-	-	(12,200,251)	(12,200,251)
At 31 March 2023	<u>5,000</u>	<u>495,000</u>	<u>(19,287,965)</u>	<u>(18,787,965)</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
Loss for the period	-	-	(7,087,714)	(7,087,714)
New share capital subscribed	<u>5,000</u>	<u>495,000</u>	-	<u>500,000</u>
At 31 March 2022	<u>5,000</u>	<u>495,000</u>	<u>(7,087,714)</u>	<u>(6,587,714)</u>

The notes on pages 15 to 28 form an integral part of these financial statements.

SONDERWELL TOPCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2022	5,000	495,000	(595,019)	(95,019)
Loss for the year	-	-	(1,227,191)	(1,227,191)
At 31 March 2023	<u>5,000</u>	<u>495,000</u>	<u>(1,822,210)</u>	<u>(1,322,210)</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
Loss for the period	-	-	(595,019)	(595,019)
New share capital subscribed	<u>5,000</u>	<u>495,000</u>	-	<u>500,000</u>
At 31 March 2022	<u>5,000</u>	<u>495,000</u>	<u>(595,019)</u>	<u>(95,019)</u>

The notes on pages 15 to 28 form an integral part of these financial statements.

SONDERWELL TOPCO LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Year ended 31 March 2023 £	5 February 2021 to 31 March 2022 £
Cash flows from operating activities			
Loss for the year		(12,200,251)	(7,087,714)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	4,805,061	2,807,080
Finance income	6	(1,042)	(1,209)
Finance costs	7	7,024,164	4,292,574
Income tax expense	11	55,252	79,923
		(316,816)	90,654
Working capital adjustments			
Decrease in stocks		-	18,632
(Increase)/decrease in debtors	16	(761,322)	3,755,409
Increase/(decrease) in creditors	17	116,342	(8,883,362)
Decrease in provisions		-	(989,427)
Cash generated from operations		(961,796)	(6,008,094)
Income taxes paid	11	(629,354)	(131,300)
Net cash flow from operating activities		(1,591,150)	(6,139,394)
Cash flows from investing activities			
Interest received		1,042	1,209
Acquisitions of tangible assets		(173,255)	(160,522)
Acquisition of subsidiaries (net of cash received)	14	(9,509,460)	(35,906,950)
Net cash flows from investing activities		(9,681,673)	(36,066,263)
Cash flows from financing activities			
Interest paid		(2,700,732)	(1,164,937)
Proceeds from issue of ordinary shares		-	500,000
Proceeds from bank borrowing draw downs		4,250,000	22,500,000
Proceeds from other borrowing draw downs		6,750,000	16,552,858
Finance costs		(282,900)	(2,173,819)
Proceeds from issue of preference shares classified as liabilities		2,895,000	8,559,403
Net cash flows from financing activities		10,911,368	44,773,505
Net (decrease)/increase in cash and cash equivalents		(361,455)	2,567,848
Cash and cash equivalents at 1 April		2,567,848	-
Cash and cash equivalents at 31 March		2,206,393	2,567,848

The notes on pages 15 to 28 form an integral part of these financial statements.

SONDERWELL TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Suite A
Ground Floor Trinity Court
Molly Millars Lane
Wokingham
RG41 2PY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

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

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £1,227,191 (2022 - loss of £595,019).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

SONDERWELL TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Prior period errors

A prior year adjustment has been made to recognise a bad debt provision as at 31 March 2022 which had previously not been recognised.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

The current 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 group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class

Fixtures, fittings, furniture and equipment

Depreciation method and rate

25% - 33.3% straight line

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

Motor vehicles

25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

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

Asset class

Goodwill

Amortisation method and rate

Straight line over 10 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors 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 the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

SONDERWELL TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Financial instruments (continued)*****Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Revenue

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Other operating income

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

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Government grants	-	47,647

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****5 Operating profit**

Arrived at after charging/(crediting)

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Depreciation expense	151,720	114,053
Amortisation expense	4,653,341	2,693,027
Operating lease expense - property	468,962	355,506
Operating lease expense - plant and machinery	<u>6,281</u>	<u>1,486</u>

6 Other interest receivable and similar income

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Interest income on bank deposits	<u>1,042</u>	<u>1,209</u>

7 Interest payable and similar expenses

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Interest on bank overdrafts and borrowings	2,994,156	1,558,332
Interest on preference shares	1,111,206	534,185
Interest expense on other finance liabilities	<u>2,918,802</u>	<u>2,200,057</u>
	<u>7,024,164</u>	<u>4,292,574</u>

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****8 Staff costs****Group**

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

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Wages and salaries	29,568,604	21,664,775
Social security costs	2,789,735	1,884,077
Pension costs, defined contribution scheme	541,158	323,257
	<u>32,899,497</u>	<u>23,872,109</u>

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

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	No.	No.
Average number of employees	<u>1,300</u>	<u>1,089</u>

Company

The company incurred no staff costs and had no employees other than the directors.

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Remuneration	455,965	103,657
Contributions paid to money purchase schemes	4,200	-
	<u>460,165</u>	<u>103,657</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	5 February 2021 to 31 March 2022	2022
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	5 February 2021 to 31 March 2022	2022
	£	£
Remuneration	<u>230,000</u>	<u>68,750</u>

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****10 Auditors' remuneration**

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Audit of these financial statements	<u>38,550</u>	<u>42,000</u>

11 Taxation

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

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Current taxation		
UK corporation tax	4,885	(24,000)
UK corporation tax adjustment to prior periods	<u>50,367</u>	<u>-</u>
	55,252	(24,000)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>-</u>	<u>103,923</u>
Tax expense in the income statement	<u>55,252</u>	<u>79,923</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	Year ended 31 March 2023	5 February 2021 to 31 March 2022
	£	£
Loss before tax	<u>(12,144,999)</u>	<u>(7,007,791)</u>
Corporation tax at standard rate	(2,307,550)	(1,331,480)
Effect of expense not deductible in determining taxable profit (tax loss)	1,683,246	928,846
Increase from tax losses for which no deferred tax asset was recognised	598,419	501,737
Increase in UK and foreign current tax from adjustment for prior periods	50,367	-
Tax increase/(decrease) from effect of capital allowances and depreciation	<u>30,770</u>	<u>(19,180)</u>
Total tax charge	<u>55,252</u>	<u>79,923</u>

Deferred tax**Group**

Deferred tax assets and liabilities

2023

Differences between accumulated depreciation and capital allowances

Liability
£
21,968

2022

Differences between accumulated depreciation and capital allowances

Liability
£
1,264

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****12 Intangible assets****Group**

	Goodwill £
Cost	
At 1 April 2022	36,182,973
Additions	<u>15,242,756</u>
At 31 March 2023	<u>51,425,729</u>
Amortisation	
At 1 April 2022	2,693,027
Amortisation charge	<u>4,653,341</u>
At 31 March 2023	<u>7,346,368</u>
Carrying amount	
At 31 March 2023	<u>44,079,361</u>
At 31 March 2022	<u>33,489,946</u>

13 Tangible assets**Group**

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2022	308,386	16,681	325,067
Additions	173,255	-	173,255
Acquired through business combinations	<u>13,483</u>	<u>-</u>	<u>13,483</u>
At 31 March 2023	<u>495,124</u>	<u>16,681</u>	<u>511,805</u>
Depreciation			
At 1 April 2022	100,662	13,391	114,053
Charge for the year	<u>148,430</u>	<u>3,290</u>	<u>151,720</u>
At 31 March 2023	<u>249,092</u>	<u>16,681</u>	<u>265,773</u>
Carrying amount			
At 31 March 2023	<u>246,032</u>	<u>-</u>	<u>246,032</u>
At 31 March 2022	<u>207,724</u>	<u>3,290</u>	<u>211,014</u>

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****14 Investments****Company**

	2023	2022
	£	£
Investments in subsidiaries	<u>3,570,892</u>	<u>3,570,892</u>

Subsidiaries**£****Cost and carrying amount**

At 1 April 2022 and at 31 March 2023

3,570,892**Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Sonderwell Midco Limited	England and Wales	Ordinary	100%	100%
Sonderwell Finco Limited	England and Wales	Ordinary	100%	100%
<i>Sonderwell Bidco Limited</i>	<i>England and Wales</i>	<i>Ordinary</i>	100%	100%
Enviva Care Limited	England and Wales	Ordinary	100%	100%
Better Healthcare Services Limited	England and Wales	Ordinary	100%	100%
Enviva Complex Care Limited	England and Wales	Ordinary	100%	100%
Invent Health Limited	England and Wales	Ordinary	100%	100%
Becc: Bespoke Complex Care Support Limited	England and Wales	Ordinary	100%	100%
Diversity Care Solutions Limited	England and Wales	Ordinary	100%	100%
Arrow Support Limited	England and Wales	Ordinary	100%	100%
Libertatem Healthcare Holdings Limited	England and Wales	Ordinary	100%	0%
Libertatem Healthcare Group Limited	England and Wales	Ordinary	100%	0%

Sonderwell Midco Limited is held directly. The principal activity of Sonderwell Midco Limited, Sonderwell Finco Limited, Libertatem Healthcare Holdings Limited and Sonderwell Bidco Limited is as holding companies. The principal activity of all other subsidiaries is domiciliary care services.

Sonderwell Topco Limited has provided a guarantee in accordance with section 479A of the companies Act 2006 to Arrow Support Limited to allow the company to claim exemption from audit.

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****15 Business combinations**

On 1 August 2022, Sonderwell Bidco Limited acquired 100% of the issued share capital of Libertatem Healthcare Holdings Limited and its subsidiary Libertatem Healthcare Group Limited, obtaining control.

Libertatem Healthcare Holdings Limited and its subsidiary Libertatem Healthcare Group Limited contributed £8,307,713 revenue and a profit of £1,448,497 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book and fair value 2023 £
Assets and liabilities acquired	
Financial assets	2,615,853
Tangible assets	13,483
Financial liabilities	<u>(951,145)</u>
Total identifiable assets	<u>1,678,191</u>
Goodwill	<u>15,242,756</u>
Total consideration	<u>16,920,947</u>
Satisfied by:	
Cash	13,804,611
Contingent consideration arrangement	<u>3,116,336</u>
Total consideration transferred	<u>16,920,947</u>
Cash flow analysis:	
Cash consideration	13,804,611
Less: cash and cash equivalent balances acquired	<u>(1,556,544)</u>
Net cash outflow arising on acquisition	<u>12,248,067</u>

The useful life of goodwill is 10 years.

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****16 Debtors**

		Group		Company	
		31 March 2023 £	31 March 2022 £	31 March 2023 £	31 March 2022 £
	Note				
Trade debtors		5,388,701	4,391,316	-	-
Amounts owed by group undertakings	21	-	-	8,256,684	5,439,252
Other debtors		735,697	3,644,059	166,000	190,000
Prepayments and accrued income		<u>2,912,892</u>	<u>2,242,579</u>	<u>-</u>	<u>-</u>
		<u>9,037,290</u>	<u>10,277,954</u>	<u>8,422,684</u>	<u>5,629,252</u>

17 Creditors

		Group		Company	
		31 March 2023 £	31 March 2022 £	31 March 2023 £	31 March 2022 £
	Note				
Due within one year					
Trade creditors		954,042	676,541	-	-
Amounts due to group undertakings	21	-	-	208,984	201,575
Social security and other taxes		1,033,776	833,370	-	-
Outstanding defined contribution pension costs		159,812	69,187	-	-
Other creditors		3,593,134	435,469	-	-
Accrued expenses		1,789,220	2,136,368	7,008	-
Corporation tax liability	11	<u>303,478</u>	<u>416,198</u>	<u>-</u>	<u>-</u>
		<u>7,833,462</u>	<u>4,567,133</u>	<u>215,992</u>	<u>201,575</u>
Due after one year					
Loans and borrowings	18	<u>66,501,611</u>	<u>48,566,079</u>	<u>13,099,794</u>	<u>9,093,588</u>

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****18 Loans and borrowings**

	Group		Company	
	31 March 2023	2022	31 March 2023	2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	25,079,979	20,739,455	-	-
Redeemable preference shares	13,099,794	9,093,588	13,099,794	9,093,588
Other borrowings	28,321,838	18,733,036	-	-
	<u>66,501,611</u>	<u>48,566,079</u>	<u>13,099,794</u>	<u>9,093,588</u>

The bank loan outstanding of £25,079,979 (2022 - £20,739,455) is stated after deducting £1,670,021 (2022 - £1,760,545) of costs associated with the raising of this finance which are being released to the profit and loss account over the term of the debt in accordance with FRS 102. The bank loan gross of debt costs was £26,750,000 (2022 - £22,500,000).

The bank debt is made up of two loans, one loan of £1,500,000 is repayable on 28 August 2026 and interest is charged at 3.5% per annum above the compound reference rate and one loan of £25,250,000 is repayable on 28 August 2028 and interest is charged at 7.25% per annum above the compound reference rate. The loans are secured by a fixed and floating charge over all the assets of the group.

The other borrowings outstanding of £28,321,838 (2022 - £18,733,036) consist of loan notes and include accrued interest of £5,118,830 (2022 - £2,200,028) and is stated after deducting £99,850 (2022 - £19,850) of costs associated with the raising of this finance which are being released to the profit and loss account over the term of the debt in accordance with FRS 102. The loan notes excluding accrued interest and gross of debt costs was £23,302,858 (2022 - £16,552,858).

£20,552,858 (2022 - £16,552,858) of the loan notes are repayable in March 2029 and interest is accrued at 12%. £2,750,000 (2022 - £nil) of loan notes are repayable in August 2029 and interest is accrued at the compound reference rate per day plus 10%.

The redeemable preference shares of £13,099,794 (2022 - £9,093,588) include accrued preference dividends payable of £1,645,391 (2022 - £534,185). The preference shares are made up of 495,000 £1 A preference shares (of which 395,000 additional shares were issued in the year), 5,488,511 £1 A1 preference shares, 2,970,892 £1 B preference shares and 2,500,000 £1 C preference shares (all of which were issued in the year). The dividends accrue at 12% on the A and A1 preference shares, 3% on the B preference shares and 6% on the C preference shares.

None of the preference share have voting rights. The A, B and C preference shares are redeemable 8 years after adoption. The A1 preference shares have no fixed redemption date.

19 Pension and other schemes**Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £541,158 (2022 - £323,257).

Contributions totalling £159,812 (2022 - £69,187) were payable to the scheme at the end of the year and are included in creditors.

SONDERWELL TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****20 Share capital****Allotted, called up and fully paid shares**

	31 March 2023		31 March 2022	
	No.	£	No.	£
A Ordinary shares of £0.01 each	377,142	3,771.42	377,142	3,771.42
B Ordinary shares of £0.01 each	22,858	228.58	22,858	228.58
C Ordinary shares of £0.01 each	100,000	1,000.00	100,000	1,000.00
	<u>500,000</u>	<u>5,000</u>	<u>500,000</u>	<u>5,000</u>

Rights, preferences and restrictions

The different classes of ordinary share referred to above carry separate rights to dividends but, in all other significant respects, rank pari passu.

21 Related party transactions

During the year, the group incurred monitoring fees of £100,000 (2022 - £100,000) from August Equity Partners V GP Limited, its ultimate controlling party.

During the year, £2,681,663 (2022 - £2,200,028) of loan note interest was incurred at a rate of 12% per annum on the £20,552,858 (2022 - £16,552,858) loan notes owed to August Equity Partners V GP Limited.

During the year, £738,858 (2022 - £398,397) of preference dividends were accrued at a rate of 12% per annum on the £5,488,511 (2022 - £5,488,511) of A1 preference shares owed to August Equity Partners V GP Limited.

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

22 Parent and ultimate parent undertaking

The ultimate controlling party is August Equity Partners V GP Limited.