

Company Registration No. 06764946 (England and Wales)

**VANGUARD HEALTHCARE GROUP LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

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# VANGUARD HEALTHCARE GROUP LIMITED

## COMPANY INFORMATION

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**Directors**

D J Cole  
A Dillon  
T Z Gowers  
S Peak

**Company number**

06764946

**Registered office**

Unit 1144 Regent Court  
The Square  
Gloucester Business Park  
Brockworth  
Gloucester  
GL3 4AD

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
2nd Floor  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG

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# VANGUARD HEALTHCARE GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Review of the business**

The principal activity of the company is that of a holding company.

Detailed commentary on the business environment and commercial outlook in the sector in which the group operates is set out in the strategic report included in the financial statements of the company's subsidiary Vanguard Healthcare Solutions Limited.

On 19 January 2021, the Vanguard group of companies underwent a change in financial sponsor, with iCON Infrastructure Partners V, L.P. and iCON Infrastructure Partners V-B, L.P. acquiring the ultimate controlling interest. This acquisition has significantly improved the group balance sheet position and provides access to further capital to continue the growth trend the business has seen in the last few years. There are no material strategic changes as a result of the acquisition.

#### **Future developments**

There are no plans to change the nature of the company's activities in the foreseeable future.

#### **Key performance indicators**

As a non-trading intermediate holding company there are no key performance indicators relevant to an assessment of the company's results or financial position.

#### **Principal risks and uncertainties**

As an intermediate holding company, the principal risk facing the company concerns the recoverability of amounts owed by group undertakings, which is ultimately affected by the trading performance of the trading subsidiaries.

The subsidiaries' and wider group activities expose them to a number of financial risks, all of which are mitigated, but include:

#### **Financial risk management objectives and policies**

There is a group banking facility in place and forecasts and covenant compliance are continually updated and monitored. Covenant compliance is forecast.

#### **Cash flow risk**

The group currently generates sufficient operating cash flows to satisfy the cash interest commitments for group companies. Directors receive monthly reports that include rolling forecasts for the P & L and cashflow, covenant compliance, detailed variance analysis and regular updates to the 5-year forecast, allowing the Board to monitor risks and react accordingly.

The group has foreign exchange exposure due to its Australian and Netherlands subsidiaries and reliance on an overseas supply chain. Wherever possible, base currency funds are utilised to minimise any foreign exchange exposure and, in the cases where this has not been possible, spot trades have been transacted at prevailing market rates. The Board has considered the implementation of a foreign exchange hedging strategy to mitigate any transactional foreign exchange risk and have decided to carry the risk in the short term.

#### **Environmental, regulatory, health and safety risk**

The group seeks to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. Group companies have achieved accreditation for ISO 9001 (Quality Management), ISO 45001 (Occupational Health and Safety Management) and ISO 14001 (Environmental Management System) and comply with all applicable legislation and regulations.

The group continues to evolve its ESG strategy, assisted by advisers as well as investing in additional internal resource, and will ensure that agreed strategies are well communicated, have external and internal stakeholder buy-in and are fully embedded in all aspects of the organisation.

# VANGUARD HEALTHCARE GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Principal risks and uncertainties (continued)

#### Political uncertainties

Whilst Brexit has inevitably increased the administrative burden of the group business, it has not materially impacted the operations or profitability.

The understanding of the impact of the ongoing Ukraine conflict to the market, supply chain and material cost continues to develop. There is undoubtedly cost pressure, particularly in respect of modular building materials. This risk is mitigated through contractual negotiation (both customer and supply side) and short dated quotes.

#### Credit risk

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers and COVID-19 does not increase the risk as the main customer base are public bodies.

#### Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

The group has considerable financial resources. As a consequence, the Directors believe that the Company is well placed to manage its liquidity risks successfully for the foreseeable future.

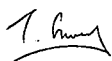
#### COVID-19

At the time of approval of these financial statements the continuing COVID-19 pandemic has given rise to additional risk and uncertainty. The directors have considered these risks and taken steps and actions they consider appropriate to minimise the associated impact. There has been no material negative impact to the strategic aims of the business as a result of COVID-19. Vanguard continues to operate within its capabilities and within the part of the sector that it has built its reputation on over the last 20 years.

#### Going concern

The company's group has maintained sufficient liquidity throughout the period of COVID-19 and is projected to continue in generating cash for the foreseeable future. Therefore, the directors have concluded that no material uncertainty exists as to the ability of the group and company to continue as a going concern and that it remains appropriate to prepare the financial statements on that basis.

On behalf of the board



.....  
T Z Gowers

Director

Date: 24/05/22  
.....

# VANGUARD HEALTHCARE GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the company is that of a holding company.

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D J Cole

A Dillon

T Z Gowers

S Peak

A J Allen

(Resigned 19 January 2021)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be presented at a General Meeting.

#### Future developments and principal risks and uncertainties

This information has been included in the strategic report as permitted by Companies Act 2006, s. 414C(11).

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....  
T Z Gowers

Director

Date: 24/05/22  
.....

# **VANGUARD HEALTHCARE GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANGUARD HEALTHCARE GROUP LIMITED**

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## **Opinion**

We have audited the financial statements of Vanguard Healthcare Group Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 company's affairs as at 31 December 2021 and of its 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 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 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.

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## **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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANGUARD HEALTHCARE GROUP LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities 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 audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is 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.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANGUARD HEALTHCARE GROUP LIMITED (CONTINUED)

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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 and compliance with 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, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors.

The audit engagement team identified the risk of management override of controls as the area 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 and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

*T R Morgan*

Thomas Morgan (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
2nd Floor  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG  
24/05/22.....

# VANGUARD HEALTHCARE GROUP LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £000	2020 £000
Administrative expenses		-	(1)
Interest receivable and similar income	5	558	946
Interest payable and similar expenses	6	(1,223)	(2,061)
<b>Loss before taxation</b>		<u>(665)</u>	<u>(1,116)</u>
Tax on loss	7	126	212
<b>Loss for the financial year</b>		<u><u>(539)</u></u>	<u><u>(904)</u></u>

**VANGUARD HEALTHCARE GROUP LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	8	12,324	12,324
<b>Current assets</b>			
Debtors falling due after more than one year	10	16,159	15,601
Debtors falling due within one year	10	23	-
		16,182	15,601
<b>Creditors: amounts falling due within one year</b>	11	(2,566)	(2,669)
<b>Net current assets</b>		13,616	12,932
<b>Total assets less current liabilities</b>		25,940	25,256
<b>Creditors: amounts falling due after more than one year</b>	12	(35,301)	(34,078)
<b>Net liabilities</b>		(9,361)	(8,822)
<b>Capital and reserves</b>			
Called up share capital	13	13	13
Share premium account	14	1,252	1,252
Profit and loss reserves	14	(10,626)	(10,087)
<b>Total equity</b>		(9,361)	(8,822)

The financial statements were approved by the board of directors and authorised for issue on 24/05/22  
and are signed on its behalf by:



T Z Gowers  
Director

# VANGUARD HEALTHCARE GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 January 2020</b>	13	1,252	(9,183)	(7,918)
<b>Year ended 31 December 2020:</b>				
Loss and total comprehensive income for the year	-	-	(904)	(904)
<b>Balance at 31 December 2020</b>	13	1,252	(10,087)	(8,822)
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year	-	-	(539)	(539)
<b>Balance at 31 December 2021</b>	13	1,252	(10,626)	(9,361)

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Vanguard Healthcare Group Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 1144 Regent Court, The Square, Gloucester Business Park, Brockworth, Gloucester, GL3 4AD.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

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.

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 £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This 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. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Armada Topco Limited. These consolidated financial statements are available from its registered office, Unit 1144 Regent Court, The Square, Gloucester Business Park, Brockworth, Gloucester, GL3 4AD and Companies House.

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### **Going concern**

While the company has net liabilities of £9.4m, it is a member of the Armada Topco Limited group of companies and the parent company has confirmed its intention to support the company as required for a period of at least 12 months from approval of these financial statements. The group has maintained sufficient liquidity throughout the period of COVID-19 and is projected to continue in generating cash for the foreseeable future. The directors prepare detailed forecasts, extending beyond a period of 12 months from the approval of these financial statements, to assess cashflow of the group and also covenant compliance relating to the groups financing arrangements. There has been no material negative impact to the strategic aims of the business as a result of COVID-19. The group continues to operate within its capabilities and within the part of the sector that it has built its reputation on over the last 20 years.

The group benefits from bank financing which is subject to cross guarantees against all entities in the group. The bank debt is subject to long term agreements with the group's bankers, who are supportive of the group and with whom the directors maintain regular dialogue.

Therefore, the directors have concluded that no material uncertainty exists as to the ability of the company to continue as a going concern and that it remains appropriate to prepare the financial statements on that basis.

##### **Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Interest income is recognised on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including amounts owed to group undertakings and loans from fellow group companies 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 payments discounted at a market rate of interest.

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

Finance costs are charged over the term of the debt using the effective interest rate method. Issue costs are recognised as a reduction in the proceeds of the associated capital instrument and amortised over the term of the debt.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### ***Investments and amounts owed by group undertakings***

Determine whether there are indicators of impairment of the company's investments and amounts due from group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

#### 3 Employees

The company had no direct employees during the year. The directors of the company were remunerated by other group companies. No recharges were made to the company in respect of that remuneration.



# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 4 Auditor's remuneration

Fees for the audit of the company of £2,000 (2020: £3,000) were paid by a fellow group company.

#### 5 Interest receivable and similar income

	2021 £000	2020 £000
<b>Interest income</b>		
Interest receivable from group companies	558	946
	<u>          </u>	<u>          </u>

#### 6 Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to group undertakings	1,223	2,061
	<u>          </u>	<u>          </u>

#### 7 Taxation

	2021 £000	2020 £000
<b>Current tax</b>		
Group tax relief	(126)	(212)
	<u>          </u>	<u>          </u>

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £000	2020 £000
Loss before taxation	(665)	(1,116)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(126)	(212)
Change in unrecognised deferred tax assets	1	-
Effect of change in corporation tax rate	(1)	-
	<u>          </u>	<u>          </u>
Taxation credit for the year	(126)	(212)
	<u>          </u>	<u>          </u>

At the year end the company had unrecognised deferred tax assets of £3,000 in respect of other timing differences.

#### Factors that may affect future tax charges

The main rate of corporation tax in the UK will rise from 19% to 25% on profits over £250,000 with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Fixed asset investments

	Notes	2021 £000	2020 £000
Investments in subsidiaries	9	12,324	12,324

#### Movements in fixed asset investments

	Shares in group undertakings £000
<b>Cost or valuation</b>	
At 1 January 2021 & 31 December 2021	12,324
<b>Carrying amount</b>	
At 31 December 2021	12,324
At 31 December 2020	12,324

#### 9 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect	
Vanguard Healthcare Solutions Limited	Unit 1144, Regent Court, The Square, Gloucester Business Park, Brockworth, Gloucester GL3 4AD	Flexible clinical infrastructure	Ordinary	100.00	-
Vanguard Healthcare Services Limited	Unit 1144, Regent Court, The Square, Gloucester Business Park, Brockworth, Gloucester GL3 4AD	Dormant	Ordinary	-	100.00
Q-bital Healthcare Solutions Pty Ltd	Level 21, 55 Collins Street, Melbourne VIC 3000	Flexible clinical infrastructure	Ordinary	-	100.00
Q-bital Healthcare Solutions (Netherlands) B.V.	Frieslandhaven 9, 3433 PC, Nieuwegein, The Netherlands	Flexible clinical infrastructure	Ordinary	-	100.00

#### 10 Debtors

	2021 £000	2020 £000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	23	-

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Debtors (Continued)

	2021 £000	2020 £000
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	16,159	15,601
<b>Total debtors</b>	<b>16,182</b>	<b>15,601</b>

Vanguard Health Solutions Limited owed £16,159,000 (2020: £15,601,000) at the year end, representing a principal sum of £10,482,000 (2020: £10,482,000) and rolled over interest of £5,677,000 (2020: £5,119,000). Interest was accruing at a rate of 9% per annum, and the loan was repayable on demand. A side letter agreement dated 29 January 2021 reduced the interest to 5% per annum with effect from 1 February 2021, and the repayment date extended to 30 June 2030.

#### 11 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	2,566	2,669

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

#### 12 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Amounts owed to group undertakings	35,301	34,078

The balance of £35,301,000 (2020: £34,078,000) at the year end due to Project Darwin Bidco Limited represented a principal sum of £22,899,000 (2020: £22,899,000) and rolled over interest of £12,403,000 (2020: £11,179,000). Interest was accruing at a rate of 9% per annum, and the loan repayable on demand. A side letter agreement dated 29 January 2021 reduced the interest to 5% per annum with effect from 1 February 2021, and the repayment date extended to 30 June 2030.

#### 13 Share capital

	2021 Number	2020 Number	2021 £000	2020 £000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 1p each	1,254,000	1,254,000	13	13

Each share has full rights in the company with respect to voting, dividends and distributions.

# VANGUARD HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 14 Reserves

##### 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.

#### 15 Financial commitments, guarantees and contingent liabilities

National Westminster Bank plc holds a fixed and floating charge over all the property and undertakings of the company together with other group companies by way of a debenture.

#### 16 Related party transactions

The company has taken the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group members.

#### 17 Ultimate controlling party

The company's immediate parent company is Project Darwin Bidco Limited and its registered office is Unit 1144 Regent Court, The Square, Gloucester Business Park, Brockworth, Gloucester, GL3 4AD.

Armada Topco Limited is the smallest and largest company in which the accounts of Vanguard Healthcare Group Limited are consolidated. In the comparative year the accounts were consolidated into the accounts of Project Darwin Topco Limited. All consolidated accounts are available from Companies House.

The ultimate controlling parties are iCON Infrastructure Partners V, L.P. and iCON Infrastructure Partners V-B, L.P. which are entities resident in Guernsey with principal place of business at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, and acquired the group on 19 January 2021.