

REGISTERED NUMBER: 12487518 (England and Wales)

Directors' Report and
Audited Financial Statements for the Year Ended 31 December 2022
for
Vita Warwick Holdco Limited

SATURDAY



ACCN49V5

A17

23/09/2023

#135

COMPANIES HOUSE

Contents of the Financial Statements
for the Year Ended 31 December 2022

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report	4
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13

Vita Warwick Holdco Limited

Company Information
for the Year Ended 31 December 2022

Directors:

Mr G P Beswick
Mr M C Dawson
Mr M K Slater
Mr M D Stott

Registered office:

Horseshoe Farm
Elkington Way
Alderley Edge
Cheshire
SK9 7GU

Registered number:

12487518 (England and Wales)

Independent auditor:

RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Landmark, St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Solicitors:

Shoosmiths LLP
The XYZ Building
2 Hardman Boulevard
Spinningfields
Manchester
M3 3AZ

Vita Warwick Holdco Limited

Directors' Report **for the Year Ended 31 December 2022**

The directors present their report with the financial statements of the Company for the year ended 31 December 2022.

The Company is based in England, and is a wholly owned subsidiary of Vita Ventures No.1 Limited, which is a subsidiary of Vita Ventures Limited, which in turn is a subsidiary of Vita Group Holdings limited.

Vita Warwick Holdco Limited is a private company, limited by shares.

In accordance with section 414B of the Companies Act 2006, the Company has taken advantage of the small companies exemption in relation to the Strategic Report.

Principal activity

The principal activity of the Company in the period under review was that of a holding company.

Directors

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr G P Beswick
Mr M C Dawson
Mr M K Slater
Mr M D Stott

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

RSM UK Audit LLP were appointed as auditor to the Company and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board:

MKSlater

Mr M K Slater - Director

21 September 2023

Statement of Directors' Responsibilities
for the Year Ended 31 December 2022

The directors are responsible for preparing 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. The directors have elected under company law to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards; 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company's financial statements comply with the requirements of 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
Vita Warwick Holdco Limited**

Opinion

We have audited the financial statements of Vita Warwick Holdco Limited (the 'Company') for the period ended 31 December 2022 which comprise Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows 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 UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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.

**Independent Auditor's Report to the Members of
Vita Warwick Holdco Limited**

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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Independent Auditor's Report to the Members of
Vita Warwick Holdco Limited

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

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.

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

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, challenging judgements and estimates.

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.

**Independent Auditor's Report to the Members of
Vita Warwick Holdco Limited**

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.

Alastair Nuttall

Alastair John Richard Nuttall (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Landmark, St Peter's Square
1 Oxford Street
Manchester
M1 4PB

21 September 2023

Vita Warwick Holdco Limited

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Continuing operations			
Revenue		-	-
Administrative expenses		(3)	(4)
Operating loss		(3)	(4)
Finance costs	3	(7,045)	(5,565)
Finance income	3	8,353	4,374
Profit/(loss) before income tax	4	1,305	(1,195)
Income tax	5	(41)	-
Profit/(loss) for the year		1,264	(1,195)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		1,264	(1,195)

The notes on pages 13 to 23 form part of these financial statements

Statement of Financial Position
31 December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investments	6	36,432	36,147
Trade and other receivables	7	-	4,816
		<u>36,432</u>	<u>40,963</u>
Current assets			
Trade and other receivables	7	13,362	3
Total assets		<u>49,794</u>	<u>40,966</u>
Equity			
Shareholders' equity			
Called up share capital	8	-	-
Retained earnings	9	(48)	(1,312)
Total equity		<u>(48)</u>	<u>(1,312)</u>
Liabilities			
Non-current liabilities			
Trade and other payables	10	-	10,873
Financial liabilities - borrowings			
Interest bearing loans and borrowings	11	-	31,618
		<u>-</u>	<u>42,491</u>
Current liabilities			
Trade and other payables	10	12,789	7
Financial liabilities - borrowings			
Interest bearing loans and borrowings	11	37,053	(220)
		<u>49,842</u>	<u>(213)</u>
Total liabilities		<u>49,842</u>	<u>42,278</u>
Total equity and liabilities		<u>49,794</u>	<u>40,966</u>

The notes on pages 13 to 23 form part of these financial statements

Vita Warwick Holdco Limited (Registered number: 12487518)

Statement of Financial Position - continued
31 December 2022

The financial statements were approved by the Board of Directors and authorised for issue on 21 September 2023 and were signed on its behalf by:

MKSlater

Mr M K Slater - Director

The notes on pages 13 to 23 form part of these financial statements

Vita Warwick Holdco Limited

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	-	(117)	(117)
Changes in equity			
Total comprehensive loss	-	(1,195)	(1,195)
Balance at 31 December 2021	-	(1,312)	(1,312)
Changes in equity			
Total comprehensive income	-	1,264	1,264
Balance at 31 December 2022	-	(48)	(48)

The notes on pages 13 to 23 form part of these financial statements

Vita Warwick Holdco Limited**Statement of Cash Flows**
for the Year Ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	15	346	(265)
Tax paid		(41)	-
Net cash from operating activities		305	(265)
Cash flows from investing activities			
Purchase of fixed asset investments		(285)	(7,201)
Net cash from investing activities		(285)	(7,201)
Cash flows from financing activities			
New loans in year		-	7,485
Finance costs paid		(20)	(19)
Net cash from financing activities		(20)	7,466
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year	16	-	-
Cash and cash equivalents at end of year	16	-	-

The notes on pages 13 to 23 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2022

1. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company is incorporated and domiciled in the UK. Unless otherwise stated, the financial statements are presented to the nearest round thousand pounds.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors therefore have a reasonable expectation that the Company 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.

The Company had net liabilities at 31 December 2022 of £48k (2021: £1,312k) and the directors have received a letter of support from the ultimate parent company that it will continue to support the Company for at least the period from the date of approval of the financial statements to 30 September 2024.

Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Functional and presentational currency

The Company's financial statements are presented in Sterling, which is the Company's functional currency.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

1. Accounting policies - continued

Accounting standards update

The following new and amended standards and interpretations were effective from 1 January 2022:

- Amendments to IFRS 3: reference to the conceptual framework;
- Amendments to IAS 16, Property, Plant and Equipment: proceeds before intended use;
- Amendments to IAS 37, Onerous Contracts: cost of fulfilling a contract; and
- Amendments to IFRS 9, Financial Instruments: Fees in the 10 per cent test for de-recognition of financial liabilities.

The implementation of the above new and amended standards and interpretations for the first time by the Company in the year ended 31 December 2022 has not had a material impact on the financial performance or position of the Company.

There are no new standards and interpretations that are not yet effective that are expected to have a material effect on the financial statements of the Company.

Use of estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. There are no significant estimates or assumptions used in preparing these financial statements.

Financial instruments

Financial assets (including Trade and other receivables)

Financial assets are recognised at amortised cost. The impairment of these assets, including trade and other receivables is calculated using expected lifetime credit losses. Lifetime credit losses are a probability-weighted estimate of the present value of all cash shortfalls that may arise from all possible default events over the life of a financial asset. Expected credit losses are discounted at the effective interest rate of the financial asset.

Financial liabilities (including Borrowings and Trade and other payables)

Financial liabilities (including borrowings and trade and other payables) are measured at amortised cost, using the effective interest rate method where applicable.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

1. Accounting policies - continued

Investment in subsidiaries

Investments in subsidiaries in the financial statements of the Company are stated at cost, less any impairment in recoverable value.

Finance costs

All finance costs are recognised in the period in which they are incurred. Finance costs represent interest and other costs incurred in connection with the borrowing of funds.

Finance income

All finance income is recognised in the period in which it arises. Finance income represents interest recharged to a related party.

2. Employees and directors

The Company had no employees during the current or prior year.

	2022	2021
	£	£
Directors' remuneration	-	-

The directors received emoluments and accrued pension benefits from related parties, for services rendered to all related companies.

3. Net finance income

	2022	2021
	£'000	£'000
Finance income:		
Intercompany interest income	8,353	4,374
Finance costs:		
Loan interest	1,371	4,374
Intercompany interest cost	5,674	1,191
	7,045	5,565
Net finance income	1,308	(1,191)

4. Profit/(loss) before income tax

The profit before income tax (2021 - loss before income tax) is stated after charging:

	2022	2021
	£'000	£'000
Audit fees	3	4

There were no non-audit services, performed by the Auditor, incurred by the entity in the current or prior year.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

5. Income tax

Analysis of tax expense

	2022 £'000	2021 £'000
Current tax:		
Adjustment in respect of prior year	41	-
	<hr/>	<hr/>
Total tax expense in statement of profit or loss and other comprehensive income	41	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax expense

The tax assessed for the year is lower (2021 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Profit/(loss) before income tax	1,305	(1,195)
	<hr/>	<hr/>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	248	(227)
Effects of:		
Expenses not deductible	1,078	831
Group relief	(1,326)	(604)
Adjustment in respect of prior year	41	-
	<hr/>	<hr/>
Tax expense	41	-
	<hr/> <hr/>	<hr/> <hr/>

The rate of UK corporation tax is due to increase from 19% to 25% with effect from 1 April 2023, which may impact the tax charge/(credit) in future years.

6. Investments

	Shares in group undertakings £'000
Cost	
At 1 January 2022	36,147
Additions	285
	<hr/>
At 31 December 2022	36,432
	<hr/>
Net book value	
At 31 December 2022	36,432
	<hr/> <hr/>

Vita Warwick Holdco Limited**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****6. Investments - continued**

	Shares in group undertakings £'000
Cost	
At 1 January 2021	28,946
Additions	7,201
	<hr/>
At 31 December 2021	36,147
	<hr/>
Net book value	
At 31 December 2021	36,147
	<hr/> <hr/>

The investment in subsidiaries represents the Company's holding of 100% of the share capital of Vita Warwick 1 Limited.

The registered office of Vita Warwick 1 Limited is: Horseshoe Farm, Elkington Way, Alderley Edge, Cheshire, SK9 7GU.

7. Trade and other receivables

	2022 £'000	2021 £'000
Current:		
Amounts owed by group undertakings	13,362	-
Other receivables	-	3
	<hr/>	<hr/>
	13,362	3
	<hr/> <hr/>	<hr/> <hr/>
Non-current:		
Amounts owed by group undertakings	-	4,816
	<hr/>	<hr/>
Aggregate amounts	13,362	4,819
	<hr/> <hr/>	<hr/> <hr/>

8. Called up share capital**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2022 £	2021 £
100	Ordinary	£1	100	100
			<hr/>	<hr/>

Vita Warwick Holdco Limited**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****9. Reserves**

	Retained earnings £'000
At 1 January 2022	(1,312)
Profit for the year	1,264
	<hr/>
At 31 December 2022	(48)
	<hr/> <hr/>
	Retained earnings £'000
At 1 January 2021	(117)
Deficit for the year	(1,195)
	<hr/>
At 31 December 2021	(1,312)
	<hr/> <hr/>

10. Trade and other payables

	2022 £'000	2021 £'000
Current:		
Amounts owed to group undertakings	12,785	-
Accruals	4	7
	<hr/>	<hr/>
	12,789	7
	<hr/> <hr/>	<hr/> <hr/>
Non-current:		
Amounts owed to group undertakings	-	10,873
	<hr/> <hr/>	<hr/> <hr/>
Aggregate amounts	12,789	10,880
	<hr/> <hr/>	<hr/> <hr/>

11. Financial liabilities - borrowings

	2022 £'000	2021 £'000
Current:		
Bank loans	34,491	-
Unamortised costs	2,562	(220)
	<hr/>	<hr/>
	37,053	(220)
	<hr/> <hr/>	<hr/> <hr/>

Vita Warwick Holdco Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. Financial liabilities - borrowings - continued

	2022	2021
	£'000	£'000
Non-current:		
Bank loans - 1-2 years	-	31,912
Unamortised costs	-	(294)
	<hr/>	<hr/>
	-	31,618
	<hr/>	<hr/>

Terms and debt repayment schedule

	1 year or less £'000
Bank loans	34,491
Unamortised costs	2,562
	<hr/>
	37,053
	<hr/>

The loan bears interest at fixed rates and is part of a £27.35m facility which is secured over the freehold land and buildings under construction held by its indirect subsidiary Vita Warwick 2 Limited.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. Financial instruments

Financial risk management

The Company has exposure to credit risk and liquidity risk from its use of financial instruments.

The Board has overall responsibility for establishing appropriate management of exposure to risk.

Capital management

The Company's objectives in managing its capital are to provide adequate returns to the shareholders by operating the business at a predetermined optimal level, by ensuring the present revenue stream from operations continues to increase and by effectively collecting its receivables as agreed with debtors.

At a subsidiary level capital is defined as Equity as shown in the balance sheet. Dividends are paid provided adequate resources remain to sustain the Company's development.

Financial instruments policy

All instruments utilised by the Company are for financing purposes. The day-to-day financial management and treasury are controlled centrally for all operations.

Fair value of financial instruments

As at 31 December 2022, the Company had no other financial instruments other than those disclosed below (2020: £nil). The carrying value of all financial instruments in these financial statements is considered to approximate to their fair value.

	2022	2021
	£'000	£'000
Financial assets		
Trade and other receivables	13,362	4,819
	<hr/>	<hr/>
	2022	2021
	£'000	£'000
Financial liabilities		
Trade and other payables	12,789	10,880
Borrowings	37,053	31,398
	<hr/>	<hr/>
	49,842	42,278
	<hr/>	<hr/>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. To measure expected credit losses trade receivables have been grouped based on shared credit characteristics and the days past due.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. Financial instruments - continued

Exposure to credit risk

The carrying value of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2022 £'000	2021 £'000
Trade and other receivables	13,362	4,819

No financial assets were considered impaired or overdue as at 31 December 2022 (2021: £nil). Trade receivables are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit, any subsequent recoveries are credited against the same line.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by regular reviews of forecast cash flows in line with contractual maturities of financial liabilities and credit facilities available. Forecast cash flows are reported to the Board on a regular basis.

The following are the contractual maturities of financial liabilities of the Company:

31 December 2022	Carrying amount £'000	Contractual cash flow £'000	3 months or less £'000	3- 12 months £'000	1-2 years £'000
Trade and other payable	12,789	12,789	1	12,788	-
Borrowings	37,053	43,009	-	43,009	-
31 December 2021	Carrying amount £'000	Contractual cash flow £'000	3 months or less £'000	3- 12 months £'000	1-2 years £'000
Trade and other payable	10,880	10,880	3	4	10,873
Borrowings	31,398	43,015	4	12	42,999

Sensitivity analysis

The Company does not have any liabilities which are exposed to external risk factors, such as interest rate movements, for this reason, the directors do not feel that it is appropriate to complete sensitivity analysis.

Vita Warwick Holdco Limited

Notes to the Financial Statements - continued **for the Year Ended 31 December 2022**

13. Ultimate parent company

The immediate parent undertaking is Vita Ventures No.1 Limited and the ultimate parent undertaking is Vita Group Holdings Limited incorporated in the UK.

The largest and smallest Group in which the results of the Company are consolidated is that headed by Vita Group Holdings Limited, incorporated in the UK. The consolidated financial statements of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

14. Related party disclosures

The directors consider Vita Group Holdings Limited and all of its subsidiaries and joint ventures to be related parties of the Company.

The following balances with related parties existed at the period end:

	Interest receivable £'000	Interest payable £'000	Balance outstanding £'000
31 December 2022			
Vita Ventures No.1 Limited	-	(1,372)	(12,785)
Vita Warwick 1 Limited	8,353	-	13,362
31 December 2021			
Vita Ventures No.1 Limited	-	(1,191)	(10,874)
Vita Warwick 1 Limited	4,374	-	4,816

A negative balance indicates an amount payable by the Company. A positive balance indicates an amount receivable by the Company.

All related party balances are unsecured and all transactions are carried out on an arms-length basis. All recharges are at cost and are apportioned in accordance with an agreed Group recharge methodology. The recharge methodology apportions costs on the basis of service usage.

15. Reconciliation of profit/(loss) before income tax to cash generated from operations

	2022 £'000	2021 £'000
Profit/(loss) before income tax	1,305	(1,195)
Finance costs	7,045	5,565
Finance income	(8,353)	(4,374)
	(3)	(4)
Increase in trade and other receivables	(189)	(445)
Increase in trade and other payables	538	184
Cash generated from operations	346	(265)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

16. Cash and cash equivalents

The amounts disclosed on the Statement of cash flows in respect of cash and cash equivalents are in respect of these Statement of financial position amounts:

Year ended 31 December 2022

	31/12/22	1/1/22
	£'000	£'000
Cash and cash equivalents	-	-
	=====	=====

Year ended 31 December 2021

	31/12/21	1/1/21
	£'000	£'000
Cash and cash equivalents	-	-
	=====	=====