REGISTERED NUMBER: 04186320

Strategic Report, Directors' Report and

Financial Statements for the year ended 31 March 2022

For

Solor Care (South West) Limited

Solor Care (South West) Limited

Contents of the Financial Statements
For the year ended 31 March 2022

Solor Care (South West) Limited

Company Information
For the year ended 31 March 2022

DIRECTORS:	A Cannon S Parker
SECRETARY:	L Jordan
REGISTERED OFFICE:	Voyage Care Wall Island Birmingham Road Lichfield Staffordshire WS14 0QP
REGISTERED NUMBER:	04186320 (England and Wales)
SENIOR STATUTORY AUDITOR:	Stephen Ward
AUDITOR:	KPMG LLP, Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

Solor Care (South West) Limited

Strategic Report
For the year ended 31 March 2022

The Directors present their Strategic Report for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activities of the Company, which is a member of the Voyage Care Group (Voyage Care, the Group), is to provide a range of services for individuals with learning disabilities, autism, brain injury rehabilitation and other related complex needs in the UK. The care solutions provided range from Registered Care in specially adapted homes to Community Based Care, where support is provided in a person's own home. The Company's and the Group's focus continues to be on the needs of the people we support. The principal activities of the Group are to provide similar care services to the Company.

The Company's strategy, business model and policies are disseminated by the Group therefore the Company and the Group share the same vision, values and purpose and face similar risks and uncertainties.

BUSINESS REVIEW

The Group, of which the Company is a member, continues to be a leading UK provider of specialist Registered Care services by revenue and by placements and has a well-established presence in specialist Community Based Care services. The performance of the Group headed by Voyage Care HoldCo Limited, which includes this Company, is included in the Strategic Report of that company.

For the year ended 31 March 2022, Solor Care (South West) Limited reported a profit after taxation of £450k (2021: £267k). This analysis is detailed on the Statement of Profit and Loss (see page 13). Correspondingly, Solor Care (South West) Limited has net liabilities of £1,120k as at 31 March 2022 (31 March 2021: £1,570k). This analysis is detailed on the Statement of Financial Position (see page 15).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the business and the controls in place to mitigate these are similar to those of the Group as a whole and are as follows:

COVID-19 / globally transmitted diseases

Risk

The global outbreak of Covid-19 put significant strain on the business to maintain the high level of care for the people we support during unprecedented times. Future global pandemics could require the business to quickly adapt to operate within the limitations of the pandemic whilst minimising the impact to the people we support.

Mitigation

The business has clear and effective business continuity plans that can be quickly enacted to react to severe threats to the business. The granularity of the business continuity plans and the strength of local management teams allow the executive management team to react to the changes in the situation presented and to disseminate appropriate actions throughout the Group.

Local Authority Funding

Risk

As staffing costs continue to increase due to National Living Wage uplifts, workforce tightening post Brexit and Covid-19, workplace pension auto enrolment charges, apprenticeship levy, pandemic response costs and substantial general inflation, there is a risk that the additional funding from local authorities is insufficient to compensate for the increased costs experienced by Voyage Care and other providers.

PRINCIPAL RISKS AND UNCERTAINTIES - continued

Local Authority Funding - continued

Mitigation

The sustainable funding of social care in the UK continues to be revisited by the Government, with:

- Additional exceptional funding available for social care in each of the last six years.
- A commitment to the funding of health and social care which is to be maintained at the same level as if the Health and Social Care Levy was in place, ensuring long-term investment in social care. The Government continues to consider more sustainable funding models for the sector.

Voyage Care has a robust and systematic process in relation to the calculation and negotiation of appropriate fee increases for all the local authorities it serves.

Recruitment and retention of skilled care workers

Risk

The key to the Group's success is the quality of the people we employ. The Group needs to attract and recruit sufficient employees to meet our objectives. Additionally, losing key employees inhibits the strength of delivering consistently high-quality care.

Mitigation

The Group has a bespoke system to deal with recruitment from first point of contact to employment, including Disclosure and Barring Service checks. Employee turnover is closely monitored through KPIs and exit interviews are performed to identify underlying trends impacting retention. Additionally, significant emphasis is placed on promoting employee retention.

Ensuring the provision of high quality care to the people we support

Risk

The Voyage Care business is built on the reputation of the high-quality care consistently delivered. A reduction in quality would harm the Group's reputation and have a negative impact on the lives of the people we support.

Mitigation

An appropriate balance is maintained between care fees and payroll costs. Fees are always agreed with funders to reflect the care needs of the people we support to ensure that the appropriate level of care is provided. Payroll costs are controlled by regular reviews of weekly care hours, through an in-house management system.

A dedicated Quality department regularly updates Group policies in line with changing regulations and standards and manages the internal quality audit process.

Close control of agency usage is in place including weekly reporting to senior management.

The Group invested £2.1 million in training expenditure to ensure employees are fully up-to-date in the best ways of providing care for people we support (2021: £2.0 million).

Reduced financial performance

Risk

To achieve the Group's strategy to deliver great quality care with commercial success the Group must have a robust financial performance. The Group's finance facility contains a covenant such that the Group must exceed minimum profit levels.

PRINCIPAL RISKS AND UNCERTAINTIES - continued

Reduced financial performance - continued

Mitigation

The Group sets annual financial budgets to appraise the financial performance and has a dedicated Commercial team to identify opportunities and work with customers to agree on sustainably funded care packages.

KEY PERFORMANCE INDICATORS

The Board use a number of financial and non-financial performance indicators to monitor the performance of the Group at a consolidated group level. The performance of the Group's key performance indicators listed below are presented in the Strategic Report of Voyage Care HoldCo Limited and include:

- Quality - % of services rated Good or Outstanding by CQC rating scheme;
- Turnover;
- Adjusted EBITDA (before non-underlying items);
- Agency usage;
- Occupancy - both absolute number and % of capacity; and
- Average weekly fee.

CORPORATE SOCIAL RESPONSIBILITY

Stakeholder engagement and section 172(1) statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are the Group's employees, the people we support and their families, Local Authorities and CCGs that commission the care that we provide, our suppliers, the industry regulators, those that live in the societies that we provide care in and HMRC. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

For the year ended 31 March 2022, under The Companies (Miscellaneous Reporting) Regulations 2019, the Company has formally decided not to apply the Wates Corporate Governance Principles for Large Private Companies.

The Group are committed to abide by the laws and regulations of every jurisdiction in which we operate. The Group operates solely in the UK and complies with relevant UK laws and regulations. The Investor and Management loan notes issued by the company's fellow Group undertakings, Voyage Care MidCo Limited and Voyage Care BidCo Limited, and the Senior and Second Lien loan notes issued by, the company's fellow Group undertakings, Voyage Care BondCo plc are listed on the Channel Islands Stock Exchange. As such, the Group adheres to the regulations applicable to those listings.

CORPORATE SOCIAL RESPONSIBILITY - *continued*

Stakeholder engagement and section 172(1) statement - *continued*

The Directors are aware of the Wates Principles and believe that the Company's existing corporate Governance code substantially meets the requirements of the regulations and have set out within the Strategic Report and Directors Report how we have applied the existing principles over the past year throughout the company's dealings.

UNCERTAINTIES FACING THE BUSINESS

Notwithstanding the risks identified above there are no major operational uncertainties facing the business. The fragmented nature of the specialist care home and supported living market in the UK and increasing regulation continues to benefit high quality operators such as Voyage Care.

FUTURE PROSPECTS

Our philosophy places the people in our care at the heart of what we do - we recognise that our reputation and success are based upon their happiness and wellbeing and that the quality of care we provide is paramount.

Over the coming years, we see growing demand for high quality care services which meet the needs of those who require support, care managers and families as the population of people requiring support continues to grow.

No significant changes or developments in the Company's business is anticipated in the foreseeable future.

ON BEHALF OF THE BOARD:

....

S. Parker - Director

Date: 28 September 2022

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP

Solor Care (South West) Limited

Directors' Report
For the year ended 31 March 2022

The Directors present their Annual Report and the audited financial statements for the year ended 31 March 2022.

In accordance with section 414(11) of the Companies Act 2006, information that is required to be contained in the Directors' Report has been included in the Strategic Report, specifically the future prospects of the business.

RESULTS AND DIVIDENDS
The results for the year are set out in detail on page 13.

The Directors do not recommend the payment of a dividend (2021: £Nil).

GOING CONCERN
Notwithstanding net liabilities of £1,120k as at 31 March 2022, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The company's ability to operate as going concern is directly linked to the Voyage Bidco Limited's ("the Group") position and the company has produced cash flow forecasts which are included in those of the Group.

On 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing £215 million Senior Secured Notes of 5.875% and £35 million Second Lien Notes of 10%. The Group now has £250 million of 5.875% Senior Secured Notes due 2027. Additionally, on 3 February 2022, the Group replaced an existing £30 million Revolving Credit Facility, due 2023, with a £50 million Revolving Credit Facility, due 2026. At the period end, the existing Revolving Credit Facility was £Nil drawn.

The Directors have prepared cash flow forecasts in order to assess going concern for a period of at least 12 months from the date of approval of these financial statements, which take into account detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning, including consideration of a reduction in fee inflation, the impact of increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks identified on page 2, and compliance with the debt covenant associated with the Revolving Credit Facility.

The Group going concern assessment was completed for the Group accounts published in August. The Directors have made appropriate inquiries of the Group subsequent to the date of that assessment and up to the date of signing these financial statements and have not identified any matters which impact their conclusion regarding the ability of the Group to continue as a going concern. Voyage Bidco Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the 12 months from the date of signing these financial statements by meeting its liabilities as they fall due for payment.

Therefore, the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the company, that the company that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business for the period covered by the cash flow forecasts. It is, therefore, appropriate to prepare the financial statements on a going concern basis.

EMPLOYEE INVOLVEMENT
The Company has formal employee policies and procedures which are regularly reviewed and updated on matters of direct concern to employees.

DISABLED PERSONS
Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled while employed. The policy is to give equal opportunity for training, career development and promotion.

DIRECTORS
The Directors set out in the table below have held office during the whole of the period from 1 April 2020 to the date of this report.

A Cannon
S Parker

The Directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

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.

ON BEHALF OF THE BOARD:

....
S Parker - Director

Date: 28 September 2022

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP

Statement of Directors' Responsibilities
For the year ended 31 March 2022

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Solor Care (South West) Limited

Opinion

We have audited the financial statements of Solor Care (South West) Limited ("the Company") for the year ended 31 March 2022 which comprise the Statement of Profit and Loss, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board and Audit Committee minutes;

- Considering remuneration incentive schemes and performance targets for management, directors and other employees; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unexpected revenue, expense, loans and borrowings and cash account combinations;
- Evaluating the business purpose of significant unusual transactions; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, antibribery, employment law, care quality, and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Solor Care (South West) Limited - continued

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Stephen Ward

Stephen Ward (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 September 2022

Solor Care (South West) Limited

Statement of Profit and Loss
For the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
TURNOVER		**2,514**	2,584
Operating expenses	6	**(1,969)**	(2,172)
OPERATING PROFIT		**545**	412
Finance income	7	**1,921**	1,691
Finance expense	8	**(2,023)**	(1,826)
PROFIT BEFORE TAXATION		**443**	277
Taxation	10	**7**	(10)
PROFIT FOR THE YEAR		**450**	267

Solor Care (South West) Limited

Statement of Other Comprehensive Income
For the year ended 31 March 2022

	2022 £'000	2021 £'000
PROFIT FOR THE YEAR	**450**	267
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	450	267

Solor Care (South West) Limited (Registered number: 04186320)

Statement of Financial Position
31 March 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	11		**27**		2
CURRENT ASSETS					
Debtors due within one year	12	**188**		203	
Debtors due after more than one year	12	**27,319**		23,634	
		27,507		23,837	
CREDITORS					
Amounts due within one year	13	**(81)**		(76)	
NET CURRENT ASSETS			**27,426**		23,761
Due within one year			***101***		*127*
Due after more than one year			***27,319***		*23,634*
TOTAL ASSETS LESS CURRENT LIABILITIES			**27,453**		23,763
CREDITORS					
Amounts due after more than one year	14		**(28,573)**		(25,333)
NET LIABILITIES			**(1,120)**		(1,570)
CAPITAL AND RESERVES					
Called up share capital	15		**-**		-
Retained earnings			**(1,120)**		(1,570)
SHAREHOLDERS' DEFICIT			**(1,120)**		(1,570)

These financial statements were approved by the Board of Directors on 28 September 2022 and were signed on its behalf by:

....

S Parker - Director

Solor Care (South West) Limited

Statement of Changes in Equity
For the year ended 31 March 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2020	-	(1,837)	(1,837)
Changes in equity			
Total comprehensive income	-	267	267
Balance at 31 March 2021	-	(1,570)	(1,570)
Changes in equity			
Total comprehensive income	-	450	450
Balance at 31 March 2022	**-**	**(1,120)**	**(1,120)**

1. **REPORTING ENTITY**

Solor Care (South West) Limited is a private company, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The principal activity of the Company is the provision of high quality care and support services for people with learning disabilities, brain injuries and other complex needs.

2. **ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These financial statements have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest thousand.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

The Company's intermediate parent undertaking is VC Healthcare TopCo Limited. For the year ended 31 March 2022, the largest parent in which the results of the Company are consolidated was Voyage Care HoldCo Limited. The consolidated financial statements of Voyage Care HoldCo Limited are prepared in accordance with International accounting standards and are available to the public.

As the consolidated financial statements of Voyage Care HoldCo Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- Statement of Cash Flow and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries; and
- Disclosures in respect of capital management.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure incurred in bringing the asset into working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. **ACCOUNTING POLICIES – continued**

Tangible assets - continued
Depreciation is charged to the Statement of Profit and Loss on a straight line basis at rates calculated to write off the cost of each asset to its residual value over its estimated useful life. The depreciation rates in use are:

Fixtures, fittings and equipment	20%
Computers equipment	33%
Right-of-use assets	Duration of lease

Gains and losses of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognised net within the Statement of Profit and Loss.

IFRS 16 Leases
A. Definition of a lease
The Company assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

B. As a lessee
As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases. The Company has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value (e.g. Short term vehicle leases). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

2. **ACCOUNTING POLICIES – continued**

IFRS 16 Leases - continued
The Company has applied judgements to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Non-derivative financial instruments
Non-derivative financial instruments comprise trade and other debtors, cash in hand, trade and other payables, lease liabilities, amounts due from and due to group undertakings.

Trade and other debtors
Trade and other debtors are recognised at fair value less any impairment losses.

Cash in hand
Cash in hand comprises cash balances and call deposits.

Impairment
The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and forward-looking information.

Measurement of ECLs
The Company measures allowances at an amount equal to the lifetime expected credit loss using both quantitative and qualitative information and analysis based on the Company's historical experience and forward looking information.

Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Derecognition
Financial assets
The Company derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either: substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2. **ACCOUNTING POLICIES - continued**

Derecognition - continued

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Profit and Loss.

Turnover

Turnover in respect of the provision of care services represents the fair value of fee income receivable for the period and is recognised in respect of the care that has been provided in the relevant period.

Turnover invoiced in advance is included in deferred income, until the service is provided, whilst turnover invoiced in arrears is included in accrued income until invoiced.

Finance income and expense

Interest receivable and interest payable is recognised in the Statement of Profit and Loss as it accrues, using the effective interest method.

Taxation including deferred tax

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

Tax currently payable is based on the taxable profit or loss for the year. Taxable profit or loss differs from 'profit / loss before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Tax is calculated using tax rates enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Employee benefit costs

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the Statement of Profit and Loss in the period to which they relate.

2. **ACCOUNTING POLICIES - continued**

Going concern

Notwithstanding net liabilities of £1,120k as at 31 March 2022, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The company's ability to operate as going concern is directly linked to the Voyage Bidco Limited's ("the Group") position and the company has produced cash flow forecasts which are included in those of the Group.

On 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing £215 million Senior Secured Notes of 5.875% and £35 million Second Lien Notes of 10%. The Group now has £250 million of 5.875% Senior Secured Notes due 2027. Additionally, on 3 February 2022, the Group replaced an existing £30 million Revolving Credit Facility, due 2023, with a £50 million Revolving Credit Facility, due 2026. At the period end, the existing Revolving Credit Facility was £Nil drawn.

The Directors have prepared cash flow forecasts in order to assess going concern for a period of at least 12 months from the date of approval of these financial statements, which take into account detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning, including consideration of a reduction in fee inflation, the impact of increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks identified on page 2, and compliance with the debt covenant associated with the Revolving Credit Facility.

The Group going concern assessment was completed for the Group accounts published in August. The Directors have made appropriate inquiries of the Group subsequent to the date of that assessment and up to the date of signing these financial statements and have not identified any matters which impact their conclusion regarding the ability of the Group to continue as a going concern. Voyage Bidco Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the 12 months from the date of signing these financial statements by meeting its liabilities as they fall due for payment.

Therefore, the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the company, that the company that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business for the period covered by the cash flow forecasts. It is, therefore, appropriate to prepare the financial statements on a going concern basis.

3. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis and any revisions to these estimates are recognised in the period in which the estimates are revised and in any future period affected.

The key assumptions which have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairments of amounts due from group undertakings
Determining whether amounts due from group undertakings have been impaired requires an estimation of the debt's value in use. The value in use calculation requires the Group to estimate expected future cash flows and suitable discount rates in order to calculate present values. The carrying amount of amounts due from group undertakings at 31 March 2022 was £27,319k (2021: £23,634k) with no impairment loss recognised for the year ended 31 March 2022 or 31 March 2021.

4. STAFF NUMBERS

The average number of employees during the year was as follows:

	2022	2021
Care	66	72

5. DIRECTORS EMOLUMENTS

Emoluments paid to the Directors in respect of their services to the Group including this Company:

	2022 £'000	2021 £'000
Emoluments	854	928
Pension contributions	90	89
	944	1,017

The remuneration of the highest paid director was £492k (2021: £540k) and pension contributions of £65k (2021: £64k) were made to a money purchase scheme on their behalf.

One of the Directors active in the year accrued benefits under money purchase pension schemes (2021: one Director).

Directors' emoluments were paid by another group company, as it is not practical to allocate their remuneration from other Group companies for services rendered.

6. OPERATING EXPENSES

	2022 £'000	2021 £'000
Direct expenses and consumables	**74**	105
Staff costs		
Wages and salaries	**1,421**	1,495
Social security costs	**113**	111
Other pension costs	**32**	28
Operating lease rentals	**7**	10
Depreciation	**3**	1
Other external charges	**319**	422
	1,969	2,172

7. FINANCE INCOME

	2022 £'000	2021 £'000
Amounts receivable from group undertakings	**1,921**	1,691

8. FINANCE EXPENSE

	2022 £'000	2021 £'000
Amounts payable to group undertakings	**2,023**	1,826

9. AUDITOR'S REMUNERATION

	2022 £'000	2021 £'000
Audit of financial statements	**8**	7

The Company is not required to disclose separate information about fees for non-audit services provided to the Company because the consolidated financial statements of the Company's parent, Voyage Care HoldCo Limited, disclose such fees on a consolidated basis.

10. TAXATION

Analysis of tax (income) / expense

	2022 £'000	2021 £'000
Deferred tax:		
Origination and reversal of temporary differences	**12**	11
Adjustments in respect of prior periods	**(1)**	(1)
Effect of tax rate change on opening balance	**(18)**	-
Total tax (income) / expense in Statement of Profit and Loss	**(7)**	10

10. **TAXATION - continued**

Factors affecting the tax (income) / expense
The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Profit before income tax	**443**	277
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**84**	53
Effects of:		
Group relief claimed	**(75)**	(42)
Adjustments in respect of prior periods	**(1)**	(1)
Effect of change in tax rate on deferred tax balances	**(15)**	-
Tax (income) / expense	**(7)**	10

Factors that may affect future tax charges
A change to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was announced in the Budget on 3 March 2021, and was substantively enacted on 24 May 2021. As such deferred tax has been recognised at 25% for the year ended 31 March 2022.

On 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 March 2022. The potential impact of this change on the deferred tax balance at 31 March 2022 would be £15k.

11. TANGIBLE ASSETS

	Right-of -use asset £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
Cost				
At 1 April 2021	-	1,384	5	1,389
Additions	28	-	-	28
Disposals	-	-	-	-
At 31 March 2022	**28**	**1384**	**5**	**1417**
Depreciation				
At 1 April 2021	-	1,384	3	1,387
Charge for year	2	-	1	4
Eliminated on disposal	-	-	-	-
At 31 March 2022	**2**	**1,384**	**4**	**1,390**
Net book value				
At 31 March 2022	**26**	**-**	**1**	**27**
At 31 March 2021	-	-	2	2

12. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	**111**	140
Deferred Tax	**65**	58
Prepayments and accrued income	**12**	5
	188	203
Amounts falling due after more than one year:		
Amounts due from group undertakings	**27,319**	23,634
Aggregate amounts	**27,507**	23,837

The amounts due from group undertakings have no fixed repayment date, but are due after more than one year and bear interest at a rate based on the group's weighted average cost of capital.

12. DEBTORS - continued

The movement in deferred tax is attributable to the following:

	2022 £'000
At April 2021	58
Recognised in the Statement of Profit and Loss	7
At March 2022	65

The elements of deferred tax are as follows:

	2022 £'000	2021 £'000
Tangible assets	65	58

Deferred tax assets totalling £12k (2021: £9k) have not been recognised as it is improbable that sufficient taxable profits will arise in the related entities against which the losses can be utilised.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	2	5
Other creditors	-	4
Accruals and deferred income	76	67
Lease liabilities	3	-
	81	76

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £'000	2021 £'000
Amounts due to group undertakings	28,551	25,333
Lease liabilities	22	-
Amounts due to group undertakings	28,573	25,333

The amounts repayable to group undertakings have no fixed repayment date, but are due after more than one year and bear interest at a rate based on the group's weighted average cost of capital.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2022 £'000**	**2021 £'000**
1	Ordinary share	£1	-	-

16. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Solor Care Holdings (3) Limited which is registered in England and Wales. At the period end, the Directors consider the ultimate controlling party to be the Kuwait Investment Authority ("KIA"), which is registered at Ministries Complex, Al Murqab, P.O. Box: 64, Safat, Zip Code: 13001, Kuwait City, Kuwait.

As at the year end the largest parent in which the results of the Company are consolidated is that headed by Voyage Care HoldCo Limited. Copies of the Group financial statements are available from The Company Secretary, Voyage Care HoldCo Limited, Wall Island, Birmingham Road, Lichfield, Staffordshire, WS14 0QP.