

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Contents

| | |
|--|------------------------|
| Company Information | <u>1</u> |
| Directors' Report | <u>2</u> to <u>3</u> |
| Strategic Report | <u>4</u> |
| Statement of Directors' Responsibilities | <u>5</u> |
| Independent Auditor's Report | <u>6</u> to <u>8</u> |
| Profit and Loss Account | <u>9</u> |
| Balance Sheet | <u>10</u> |
| Statement of Changes in Equity | <u>11</u> |
| Notes to the Financial Statements | <u>12</u> to <u>19</u> |

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Company Information

| | |
|--------------------------|--|
| Directors | G A Cross A M Dalton S J C Gray F D Porter G Thompson |
| Registered office | 3 Siskin Drive Middlemarch Business Park Coventry CV3 4FJ |
| Bankers | The Royal Bank Of Scotland PLC London Corporate Services 2 1/2 Devonshire Square London EC2M 4XJ |
| Auditors | Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT |

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

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

G A Cross

A M Dalton (appointed 18 January 2019)

S J C Gray

F D Porter

G Thompson (appointed 30 September 2019)

Financial instruments

Objectives and policies

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

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

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Employment of disabled persons

It is the company's policy to give fair consideration to the employment needs of disabled people and to comply with current legislation with regard to their employment. Wherever practicable, we continue to employ and promote the careers of existing employees who become disabled and to consider disabled persons for employment, subsequent training career development and promotion on the basis of their aptitudes and abilities.

Employee involvement

The directors recognise the important of human resources. Practices to provide good communications and relations with employees include providing employees with information on matters of concern to them as employees.

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Directors' Report for the Year Ended 31 December 2019

Disclosure of information to the auditors

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

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 23 July 2020 and signed on its behalf by:

.....
A M Dalton
Director

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is the ownership and management of residential care and nursing home and care services for people with complex needs.

Fair review of the business

The results for the year which are set out in the profit and loss account show turnover of £9,715,548 (2018 - £8,898,798) and an operating profit of £1,966,786 (2018 - £1,313,832). At 31 December 2019, the company had net assets of £19,222,868 (2018 - £17,277,196). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

Principal risks and uncertainties

The board of directors has a well-established process for identifying business risks, evaluating controls and establishing and executing action plans.

The Sunshine Care Topco Limited Group ("the group") supports its current operations and future growth from a combination of internally generated profits and externally raised funds.

Approved by the Board on 23 July 2020 and signed on its behalf by:

.....
A M Dalton
Director

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report , Strategic 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Independent Auditor's Report to the Members of Swanton Care & Community (Autism North) Limited

Opinion

We have audited the financial statements of Swanton Care & Community (Autism North) Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Independent Auditor's Report to the Members of Swanton Care & Community (Autism North) Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Independent Auditor's Report to the Members of Swanton Care & Community (Autism North) 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.

.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

28 July 2020

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED**Profit and Loss Account for the Year Ended 31 December 2019**

| | Note | 2019 £ | 2018 £ |
|--------------------------------------|-------------|-------------------------|-------------------------|
| Turnover | <u>3</u> | 9,715,548 | 8,898,798 |
| Cost of sales | | <u>(5,520,143)</u> | <u>(5,267,332)</u> |
| Gross profit | | 4,195,405 | 3,631,466 |
| Administrative expenses | | (2,228,619) | (2,286,585) |
| Exceptional items | <u>5</u> | <u>-</u> | <u>(31,049)</u> |
| Operating profit | <u>4</u> | 1,966,786 | 1,313,832 |
| Interest payable and similar charges | <u>6</u> | <u>-</u> | <u>(13,158)</u> |
| Profit before tax | | 1,966,786 | 1,300,674 |
| Taxation | <u>9</u> | <u>(21,114)</u> | 17,209 |
| Profit for the financial year | | <u><u>1,945,672</u></u> | <u><u>1,317,883</u></u> |

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 12 to 19 form an integral part of these financial statements.

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED**(Registration number: 04536431)****Balance Sheet as at 31 December 2019**

| | Note | 2019 £ | 2018 £ |
|--|-------------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | <u>10</u> | <u>645,320</u> | <u>596,481</u> |
| Current assets | | | |
| Debtors | <u>11</u> | <u>32,068,665</u> | <u>29,047,766</u> |
| Cash at bank and in hand | | <u>257,312</u> | <u>1,110,551</u> |
| | | 32,325,977 | 30,158,317 |
| Creditors: Amounts falling due within one year | <u>12</u> | <u>(13,748,429)</u> | <u>(13,467,049)</u> |
| Net current assets | | <u>18,577,548</u> | <u>16,691,268</u> |
| Total assets less current liabilities | | 19,222,868 | 17,287,749 |
| Provisions for liabilities | <u>9</u> | <u>-</u> | <u>(10,553)</u> |
| Net assets | | <u>19,222,868</u> | <u>17,277,196</u> |
| Capital and reserves | | | |
| Called up share capital | <u>14</u> | 100 | 100 |
| Profit and loss account | | <u>19,222,768</u> | <u>17,277,096</u> |
| Total equity | | <u>19,222,868</u> | <u>17,277,196</u> |

Approved and authorised by the Board on 23 July 2020 and signed on its behalf by:

.....
A M Dalton
DirectorThe notes on pages 12 to 19 form an integral part of these financial statements.

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED**Statement of Changes in Equity for the Year Ended 31 December 2019**

| | Share capital £ | Profit and loss account £ | Total £ |
|---------------------|---------------------------|---|-------------------|
| At 1 January 2019 | 100 | 17,277,096 | 17,277,196 |
| Profit for the year | - | 1,945,672 | 1,945,672 |
| At 31 December 2019 | 100 | 19,222,768 | 19,222,868 |

| | Share capital £ | Profit and loss account £ | Total £ |
|---------------------|---------------------------|---|-------------------|
| At 1 January 2018 | 100 | 15,959,213 | 15,959,313 |
| Profit for the year | - | 1,317,883 | 1,317,883 |
| At 31 December 2018 | 100 | 17,277,096 | 17,277,196 |

The notes on pages 12 to 19 form an integral part of these financial statements.

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:

3 Siskin Drive
Middlemarch Business Park
Coventry
CV3 4FJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

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

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

Summary of disclosure exemptions

The company has not presented a cash flow statement on the grounds that the company is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the parent company.

Name of parent of group

These financial statements are consolidated in the financial statements of Sunshine Care Topco Limited.

The financial statements of Sunshine Care Topco Limited may be obtained from Companies House.

Going concern

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

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Judgements and estimation uncertainty

Key sources of estimation uncertainty

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates..

Impairment of debtors

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Critical accounting judgements in applying the company's accounting policies

There are no such judgements in either the current or prior year.

Revenue recognition

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

Tax

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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

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

Tangible assets

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

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

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Depreciation

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

| Asset class | Depreciation method and rate |
|-----------------------|-------------------------------------|
| Fixtures and fittings | 10%-25% on cost |

Cash and cash equivalents

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

Trade debtors

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

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Leases

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

Share capital

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

Defined contribution pension obligation

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

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

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Financial instruments

Classification

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

Recognition and measurement

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

Impairment

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

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

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

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

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

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

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

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

3 Revenue

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

4 Operating profit

Arrived at after charging:

| | 2019 £ | 2018 £ |
|------------------------------------|-----------|-----------|
| Depreciation expense | 200,814 | 144,358 |
| Operating lease expense - property | 1,520,501 | 1,487,475 |

The remuneration of the auditor in respect of services provided to the company in the current and prior financial years were borne by another group company.

5 Exceptional items

| | 2019 £ | 2018 £ |
|----------------------|-----------|-----------|
| Exceptional expenses | - | 31,049 |

Exceptional expenses in the prior year consisted of various non-recurring expenses.

6 Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|----------------|-----------|-----------|
| Other interest | - | 13,158 |

7 Staff costs

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

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Wages and salaries | 4,668,144 | 4,393,239 |
| Social security costs | 367,384 | 319,280 |
| Pension costs, defined contribution scheme | 86,174 | 71,167 |
| | 5,121,702 | 4,783,686 |

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

| | 2019 No. | 2018 No. |
|--------------|-------------|-------------|
| Care staff | 267 | 250 |
| Office staff | 1 | 1 |
| | 268 | 251 |

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Directors' remuneration

Directors' remuneration has been borne by a fellow group company.

9 Taxation

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

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Current taxation | | |
| UK corporation tax | 31,667 | - |
| UK corporation tax adjustment to prior periods | - | (25,034) |
| | 31,667 | (25,034) |
| Deferred taxation | | |
| Arising from origination and reversal of timing differences | (10,553) | 7,825 |
| Tax expense/(receipt) in the income statement | 21,114 | (17,209) |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Profit before tax | 1,966,786 | 1,300,674 |
| Corporation tax at standard rate | 373,689 | 247,128 |
| Effect of expense not deductible in determining taxable profit (tax loss) | 1,576 | 1,951 |
| Deferred tax credit from unrecognised temporary difference from a prior period | (10,553) | - |
| Decrease in UK and foreign current tax from adjustment for prior periods | - | (25,034) |
| Tax increase from effect of capital allowances and depreciation | 23,149 | 22,620 |
| Tax decrease arising from group relief | (366,747) | (263,874) |
| Total tax charge/(credit) | 21,114 | (17,209) |

Deferred tax

Deferred tax assets and liabilities

| | Liability £ |
|--------------------------------|----------------|
| 2018 | |
| Accelerated capital allowances | 10,553 |

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

10 Tangible assets

| | Land and buildings £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|-------------------------------|---------------------|------------|
| Cost | | | | |
| At 1 January 2019 | 39,013 | 1,366,190 | 106,776 | 1,511,979 |
| Additions | (24,081) | 249,508 | 24,226 | 249,653 |
| At 31 December 2019 | 14,932 | 1,615,698 | 131,002 | 1,761,632 |
| Depreciation | | | | |
| At 1 January 2019 | 29 | 903,653 | 11,816 | 915,498 |
| Charge for the year | 5 | 155,503 | 45,306 | 200,814 |
| At 31 December 2019 | 34 | 1,059,156 | 57,122 | 1,116,312 |
| Carrying amount | | | | |
| At 31 December 2019 | 14,898 | 556,542 | 73,880 | 645,320 |
| At 31 December 2018 | 38,984 | 462,537 | 94,960 | 596,481 |

11 Debtors

| | 2019 £ | 2018 £ |
|------------------------------------|------------|------------|
| Trade debtors | 695,239 | 686,503 |
| Amounts owed by group undertakings | 30,897,550 | 28,269,317 |
| Other debtors | 460,420 | 80,813 |
| Prepayments | 15,456 | 11,133 |
| | 32,068,665 | 29,047,766 |

12 Creditors

| | 2019 £ | 2018 £ |
|--|------------|------------|
| Due within one year | | |
| Trade creditors | 30,903 | 33,680 |
| Amounts due to group undertakings | 12,877,536 | 12,730,847 |
| Social security and other taxes | 109,685 | 56,919 |
| Outstanding defined contribution pension costs | 18,861 | 19,772 |
| Other creditors | 189,059 | 150,991 |
| Accrued expenses | 245,639 | 266,138 |
| Corporation tax liability | 31,667 | - |
| Deferred income | 245,079 | 208,702 |
| | 13,748,429 | 13,467,049 |

SWANTON CARE & COMMUNITY (AUTISM NORTH) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

13 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £86,174 (2018 - £71,167). Contributions totalling £18,861 (2018 - £19,772) were payable to the scheme at the end of the year and are included in creditors.

14 Share capital

Allotted, called up and fully paid shares

| | 2019 | | 2018 | |
|----------------------------|------|-----|------|-----|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

15 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

| | 2019 | 2018 |
|---|------------------|------------------|
| | £ | £ |
| Not later than one year | 1,316,702 | 1,316,702 |
| Later than one year and not later than five years | 5,266,807 | 5,266,807 |
| Later than five years | 1,316,702 | 1,316,702 |
| | <u>7,900,211</u> | <u>7,900,211</u> |

16 Parent and ultimate parent undertaking

The company's immediate parent undertaking is Swanton Care & Community (Glenpath Holdings) Limited, incorporated in England and Wales. The company's ultimate parent undertaking is Sunshine Care Topco Limited, incorporated in England and Wales. The ultimate controlling party is Apposite Healthcare II GP LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.