

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

COMPANY INFORMATION

Directors	R S Brown S D Hughes (resigned 9 May 2019) P J Nixey M J Smith (appointed 1 May 2019)
Registered number	06481136
Registered office	1 Links Court Links Business Park St Mellons Cardiff CF3 0LT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3 Callaghan Square Cardiff CF10 5BT
Bankers	Allied Irish Bank 19 Whiteladies Road Clifton BS8 1PB
Solicitors	Blake Morgan LLP One Central Square Cardiff CF10 1FS

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 21

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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

Principal activity

The principal activity of the company is the provision of specialist health care in a purpose-built facility. In May 2011 the directors took the decision to close the facility for the foreseeable future while considering the company's future. There has been no revenue generated from the provision of health care in the current year.

Results and dividends

The loss for the year, after taxation, amounted to £81,018 (2018 - loss £76,105).

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

Directors

The directors who served during the year were:

R S Brown
S D Hughes (resigned 9 May 2019)
P J Nixey

Directors' responsibilities statement

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. 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Taxation status

The company is a close company under the provisions of the Taxes Act 1988.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Going concern

The closure of the company's care facility and consequent trading losses mean that the directors have prepared the financial statements on a basis other than going concern. Further details can be found in note 2.1 of the financial statements.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

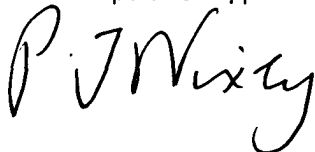
Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006, and accordingly no separate strategic report is presented.

This report was approved by the board on **26 SEPTEMBER 2019** and signed on its behalf.



P J Nixey
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

Opinion

We have audited the financial statements of Shaw (Pembroke) Specialist Services Limited (the 'Company') for the year ended 31 March 2019, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the 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 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – basis of preparation of the financial statements

We draw your attention to note 2.1 in the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the care facility operated by the company remained closed during the year ended 31 March 2019 and accordingly the directors have prepared the financial statements on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED (CONTINUED)

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.

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 year 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, 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.

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.



Rhian Owen BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff

Date:

26 September 2019

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Operating costs		(22,990)	(20,539)
Operating loss	5	(22,990)	(20,539)
Interest payable and similar expenses		(76,769)	(73,218)
Loss before tax		(99,759)	(93,757)
Tax on loss	9	18,741	17,652
Loss for the financial year		(81,018)	(76,105)

The results for both the current and prior year were all derived from discontinued operations of the company.

The notes on pages 10 to 21 form part of these financial statements.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Loss for the financial year		(81,018)	(76,105)
Other comprehensive income		-	-
Total comprehensive loss for the year		(81,018)	(76,105)

The notes on pages 10 to 21 form part of these financial statements.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED
REGISTERED NUMBER:06481136

BALANCE SHEET
AS AT 31 MARCH 2019

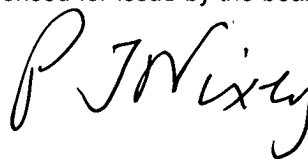
	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	248,064	252,476
		<u>248,064</u>	<u>252,476</u>
Current assets			
Debtors: amounts falling due after more than one year	11	2,520	4,905
Debtors: amounts falling due within one year	11	22,666	20,474
Cash at bank and in hand	12	26,150	30,379
		<u>51,336</u>	<u>55,758</u>
Creditors: amounts falling due within one year	13	(467,395)	(427,576)
Net current liabilities		<u>(416,059)</u>	<u>(371,818)</u>
Total assets less current liabilities		<u>(167,995)</u>	<u>(119,342)</u>
Creditors: amounts falling due after more than one year	14	(2,088,517)	(2,056,152)
Net liabilities		<u><u>(2,256,512)</u></u>	<u><u>(2,175,494)</u></u>
Capital and reserves			
Called up share capital		2,000	2,000
Profit and loss account		(2,258,512)	(2,177,494)
		<u><u>(2,256,512)</u></u>	<u><u>(2,175,494)</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 SEPTEMBER 2019



R S Brown
Director



P J Nixey
Director

The notes on pages 10 to 21 form part of these financial statements.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	2,000	(2,177,494)	(2,175,494)
Comprehensive income for the year			
Loss for the year	-	(81,018)	(81,018)
At 31 March 2019	<u>2,000</u>	<u>(2,258,512)</u>	<u>(2,256,512)</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	2,000	(2,101,389)	(2,099,389)
Comprehensive income for the year			
Loss for the year	-	(76,105)	(76,105)
At 31 March 2018	<u>2,000</u>	<u>(2,177,494)</u>	<u>(2,175,494)</u>

The notes on pages 10 to 21 form part of these financial statements.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Shaw (Pembroke) Specialist Services Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at 1 Links Court, Links Business Park, St Mellons, Cardiff, CF3 0LT.

The principal activity of Shaw (Pembroke) Specialist Services Limited is the provision of specialist health care in a purpose-built facility. In May 2011 the directors took the decision to close the facility for the foreseeable future while considering the company's future. There has been no revenue generated from the provision of health care in the current year.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amount in these financial statements are rounded to the nearest £.

The company's business activities are set out in the Directors' Report. The business review incorporated in the annual report of Shaw healthcare (Group) Limited, the ultimate parent company, includes information on the group's business activities, together with the factors likely to affect its future development, performance and position. It also includes information on the financial position of the group, its cash flows, liquidity position and borrowing facilities.

In May 2011 the directors took the decision to close the care facility operated by the company while considering its future. The facility has remained closed during the year ended 31 March 2019 and is expected to remain closed for the foreseeable future.

Therefore, as required by Section 3 of FRS 102, the directors have prepared the financial statements on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The closure of the care facility also resulted in breaches of the combined banking covenants, incorporating the results of Surehaven (Pembroke) Limited, when tested on a quarterly basis. The company's bankers have issued covenant deferral letters in respect of these tests and the directors consider it likely that further covenant deferral letters will be issued by the bank while the facility remains closed. Whilst these circumstances create material uncertainties over the availability of finance, the company can rely on short-term support from the group to meet operating cash flow requirements, including loan interest, and written letters of support, for the period 12 months after the date of signing, to this effect has been received from Shaw healthcare (FM Services) Limited, a subsidiary of Shaw healthcare (Group) Limited, the ultimate parent company. A letter has also been received from Shaw healthcare Limited stating that the intercompany loan will not be demanded within 12 months from the signing of the financial statements. The group's formal commitment is to guarantee loan interest but not capital repayments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Shaw healthcare (Group) Limited as at 31 March 2019 and these financial statements may be obtained from its registered office, 1 Links Court, Links Business Park, St Mellons, Cardiff, CF3 0LT.

2.3 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.4 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land and buildings	- 1.67%
Fixtures and fittings	- 10% - 33.3%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The following are the critical judgements and key sources of estimation that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of tangible assets

Tangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of the assets is determined based on an assessment of value-in-use calculations prepared on the basis of management's assumptions and estimates and also existing use value — 'bricks and mortar' calculations prepared by external experts. Indicators that an impairment review is required are a subsidiary incurring a loss for the year or not performing in line with their operational model. The value-in-use calculations require judgement in relation to uncertain items, including management's expectations of future revenue growth, operating costs, operating cash flows, and discount rate for the business. The existing use values require judgement in relation to the marketability of the property based on its size, location and condition.

4. Turnover

No turnover or revenue was recognised by the company in either period.

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of owned tangible fixed assets	4,412	4,407

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,601	3,000

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Employees

The company had no employees other than the directors during either the current or the prior financial year.

8. Directors' remuneration

The directors are remunerated by Shaw healthcare (Group) Limited for their services to the group as a whole. It is not practicable to allocate their remuneration between their services to this company and other group companies. Their remuneration is disclosed in the consolidated financial statements of Shaw healthcare (Group) Limited, which are publicly available.

9. Taxation

	2019 £	2018 £
Corporation tax		
Group tax relief	(21,126)	(20,474)
Total current tax	<u>(21,126)</u>	<u>(20,474)</u>
Deferred tax		
Origination and reversal of timing differences	2,385	2,822
Total deferred tax	<u>2,385</u>	<u>2,822</u>
Taxation on loss on ordinary activities	<u>(18,741)</u>	<u>(17,652)</u>

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(99,759)	(93,757)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	(18,954)	(17,814)
Effects of:		
Permanent capital allowances in excess of depreciation	-	495
Effect of rate changes	(282)	(333)
Non deductible expenses	495	-
Total tax charge for the year	(18,741)	(17,652)

Factors that may affect future tax charges

The standard rate of tax applied to profit is 19% (2018: 19%). The Finance Act 2016, which provides for a further planned reduction in corporation tax to 17% from 1 April 2020, was substantively enacted on 15 September 2016. There is no expiry date on timing differences, unused tax losses or credits.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2018	1,401,282	41,489	1,442,771
At 31 March 2019	1,401,282	41,489	1,442,771
Depreciation			
At 1 April 2018	1,148,806	41,489	1,190,295
Charge for the year on owned assets	4,412	-	4,412
At 31 March 2019	1,153,218	41,489	1,194,707
Net book value			
At 31 March 2019	248,064	-	248,064
At 31 March 2018	252,476	-	252,476

Cumulative finance costs capitalised within freehold land and buildings amount to £89,513 (2018: £89,513). Capitalised finance costs written off in the profit and loss account during the year amounted to £1,481 (2018: £1,492).

Freehold land and buildings include £26,910 (2018: £26,910) of land which is not depreciated.

11. Debtors

	2019 £	2018 £
Due after more than one year		
Deferred tax asset	2,520	4,905
Due within one year		
Amounts owed by group undertakings	22,666	20,474

The amounts owed by other group companies are unsecured, interest-free and repayable on demand unless otherwise stated.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>26,150</u>	<u>30,379</u>

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	118,637	116,312
Trade creditors	932	202
Amounts owed to group undertakings	342,147	304,165
Accruals and deferred income	5,679	6,897
	<u>467,395</u>	<u>427,576</u>

The amounts owed to other group companies are unsecured, interest-free and repayable on demand unless otherwise stated.

14. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	467,614	585,249
Other borrowings	1,620,903	1,470,903
	<u>2,088,517</u>	<u>2,056,152</u>

Amounts included above which fall due after five years are as follows:

	2019 £	2018 £
Payable by instalments	<u>1,620,903</u>	<u>371,928</u>

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Loans and overdrafts

	2019 £	2018 £
Bank loans	586,251	701,561
Loans from group undertakings	1,620,903	1,470,903
	<u>2,207,154</u>	<u>2,172,464</u>

Borrowings are repayable as follows:

	2019 £	2018 £
Bank loans		
Payable within one year	118,637	116,312
Payable between two and five years	467,614	489,224
Payable after five years	-	96,025
	<u>586,251</u>	<u>701,561</u>

The loan is secured on the freehold property and is repayable in quarterly instalments which commenced in March 2010. The loan will be fully repaid by 2024. The interest rate is charged based on the Bank of England base rate + 1.35%.

	2019 £	2018 £
Loan from parent undertaking		
Payable within one year	-	-
Payable between two and five years	-	-
Payable after five years	275,903	275,903
	<u>275,903</u>	<u>275,903</u>

The interest rate is fixed at 13.5% for the duration of the loan. The loan is secured on the freehold property and ranks second in priority behind the bank loan shown above.

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Loans and overdrafts (continued)

	2019 £	2018 £
Loans from group undertakings		
Payable within one year	-	-
Payable between two and five years	-	1,195,000
Payable after five years	1,345,000	-
	<u>1,345,000</u>	<u>1,195,000</u>

This is an unsecured loan of £930,000 (2018: £930,000) from Shaw healthcare Limited with no fixed repayment date. A letter of support has been received from Shaw healthcare Limited that repayment will not be required within one year from the date of signing the financial statements. Interest charged during the year was between 0.5% and 2.0%.

This is an unsecured loan of £415,000 (2018: £265,000) from Shaw healthcare (FM Services) Limited with no fixed repayment date. A letter of support has been received from Shaw healthcare (FM Services) Limited that repayment will not be required within one year from the date of signing the financial statements. Interest charged during the year was between 0.5% and 2.0%.

	2019 £	2018 £
Total borrowings		
Payable within one year	118,637	116,312
Payable between two and five years	467,614	1,684,224
Payable after five years	1,620,903	371,928
	<u>2,207,154</u>	<u>2,172,464</u>

16. Deferred taxation

	2019 £	2018 £
At beginning of year	4,905	7,727
Charged to profit or loss	(2,385)	(2,822)
At end of year	<u>2,520</u>	<u>4,905</u>

SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>2,520</u>	<u>4,905</u>

The directors are of the opinion that the asset is recoverable, either due to taxable profits made by the company in the future, or by the surrender of future losses to group undertakings.

17. Related party transactions

There were no transactions with related parties outside the Shaw healthcare (Group) Limited group of companies in either period.

The company has taken advantage of the exemption available under FRS 102 from disclosing transactions and balances with other wholly owned group companies that form part of the Shaw healthcare (Group) Limited group.

Key management personnel are consistent with directors. The directors are remunerated by Shaw healthcare (Group) Limited for their services to the group as a whole.

18. Controlling party

The immediate parent company is Shaw healthcare (Specialist Services) Limited, a company incorporated and registered in England and Wales. The ultimate parent company and controlling party is Shaw healthcare (Group) Limited, a company incorporated and registered in England and Wales. The smallest and largest group for which consolidated financial statements are prepared which include the results of the company is headed by Shaw healthcare (Group) Limited, the financial statements of which are available from 1 Links Court, Links Business Park, St Mellons, Cardiff CF3 0LT.