

SANCTUARY CARE (R) GEFFEN LIMITED (FORMERLY EMBRACE REALTY (GEFFEN) LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

Company Number: 06786519



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Directors and advisors

Directors

Anthony King
Craig Moule
Nathan Warren
James Whitmore

Company Secretary

Nicole Seymour

Independent statutory auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Internal auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Barclays Bank plc
Barclays Corporate
Social Housing Team
Level 27
1 Churchill Place
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E14 5HP

Legal advisors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Registered office

Sanctuary House
Chamber Court
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Worcester
WR1 3ZQ

Registered number

Company Number: 06786519

Directors' Report for the period ended 31 March 2018

The Directors present their report and financial statements of Sanctuary Care (R) Geffen Limited (formerly Embrace Realty (Geffen) Limited) (the Company) for the nine month period ended 31 March 2018.

Principal activities

The Company was incorporated on 8 January 2009 and registered under the Companies Act 2006, number 06786519, with the purpose of renting out property to other companies. The Company no longer holds any property and consequently does not currently have any trading activity. On 28 March 2018, the name of the Company was changed from Embrace Realty (Geffen) Limited to Sanctuary Care (R) Geffen Limited. In addition to the name change the accounts financial year end has been changed from June to March.

Review of business and future developments

On 19 June 2017 Sanctuary Housing Association acquired the Company and a number of its fellow subsidiaries. The Company now forms part of the Sanctuary Group of entities (the Group) and the Company's ultimate parent undertaking is Sanctuary Housing Association.

The Company did not have any trading activity in the financial period and is not expected to trade in the 2018/19 financial year.

Key performance indicators

- As the Company does not have any trading activity no key performance indicators have been presented.

Risk management

Major business risks of the Company are identified through a system of continuous monitoring, through the Group's review of the major strategic, business and operational risks to which the Company is exposed. Systems and procedures are established at a Group level to mitigate those risks and to minimise any potential impact on the Company should any of those risks materialise.

Directors

The Directors of the Company who have served during the period and to the date of signing the financial statements, unless otherwise stated were:

Anthony King
Craig Moule
Nathan Warren
James Whitmore

Results and dividends

The Company did not trade; resulting in no profit for the period ended 31 March 2018. Further details are set out on page 8.

Ethical business

The Group and Company are committed to conducting business in an ethical and responsible manner. This involves making decisions which take into account not only economic considerations, but also social and environmental impacts. It means running Group operations efficiently, investing in the communities where the Group works, providing training and employment opportunities, and ensuring that Group operations are run in an environmentally-friendly manner.

Directors' Report for the period ended 31 March 2018 continued

Going concern

The Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in its financial statements.

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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 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 the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 the 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.

In the case of each Director in office at the date the Directors' Report is approved:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) they have taken all 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 auditor is aware of that information.

Independent statutory auditor

KPMG LLP has indicated its willingness to continue in office. A resolution concerning the appointment of the auditor will be proposed at the Annual General Meeting.

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

By order of the Board.



James Whitmore
Director
13 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY CARE (R) GEFFEN LIMITED (FORMERLY EMBRACE REALTY (GEFFEN) LIMITED)

Opinion

We have audited the financial statements of Sanctuary Care (R) Geffen Limited (formerly Embrace Realty (Geffen) Limited) for the period ended 31 March 2018 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the period 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' Report

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

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY CARE (R) GEFFEN LIMITED (FORMERLY EMBRACE REALTY (GEFFEN) LIMITED) CONTINUED

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; 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.

Auditor's responsibilities

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.



Gordon Docherty (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

20 September 2018

Profit and Loss Account for the period ended 31 March 2018

	Notes	9 Month period ended 31 March 2018 £'000	Year ended 30 June 2017 £'000
Turnover		-	-
Loss on disposal of fixed assets		-	(1)
Other operating expenses	3	-	(9)
Result/(loss) before taxation			(10)
Taxation	4	-	-
Result/(loss) after taxation for the financial period		-	(10)

There are no differences between the result/(loss) before taxation and the result/(loss) after taxation for the financial periods stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the Profit and Loss Account above and therefore no separate Other Comprehensive Income Statement has been presented.

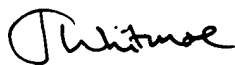
The notes on pages 11 to 14 form part of these financial statements.

Balance Sheet as at 31 March 2018

	Notes	31 March 2018 £'000	30 June 2017 £'000
Current assets			
Debtors	5	542	624
Creditors: amounts falling due within one year	6	-	(82)
Net current assets		542	542
Total assets less current liabilities		542	542
Net assets		<u>542</u>	<u>542</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		542	542
Total shareholders' funds		<u>542</u>	<u>542</u>

The notes on pages 11 to 14 form part of these financial statements.

The financial statements have been authorised and approved by the Board of Directors on 13 September 2018 and signed on its behalf by:



James Whitmore
Director

Statement of Changes in Equity as at 31 March 2018

	Share capital £'000	Profit and Loss Account £'000	Total £'000
At 1 July 2016	-	552	552
Loss for the financial year	-	(10)	(10)
At 30 June 2017	-	542	542
At 1 July 2017	-	542	542
Profit for the financial period	-	-	-
At 31 March 2018	-	542	542

The notes on pages 11 to 14 form part of these financial statements.

Notes to the financial statements for the period ended 31 March 2018

1. Principal accounting policies

General information

Sanctuary Care (R) Geffen Limited (the Company) (formerly Embrace Realty (Geffen) Limited) is a company incorporated and domiciled in the UK.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Unless otherwise stated, amounts are denominated in thousands (£'000) rounded to the nearest thousand.

The financial year end has changed from June to March in line with the rest of the Group.

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (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 exemptions has been taken.

The Company's ultimate parent undertaking, Sanctuary Housing Association, includes the Company in its consolidated financial statements. The consolidated financial statements of Sanctuary Housing Association are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Sanctuary Housing Association, Chamber Court, Castle Street, Worcester WR1 3ZQ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Sanctuary Housing Association include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements are prepared on the historical cost basis.

Notes to the financial statements for the period ended 31 March 2018 continued

1. Principal accounting policies continued

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Director's Report on page 3.

The Company has the continued support of its ultimate parent, Sanctuary Housing Association and is viewed as a going concern by the Directors as it has adequate resources to continue in operational existence for a period of at least 12 months from signing of this report. Accordingly the Company continues to adopt the going concern basis in its financial statements.

Financial instruments

Financial assets

All financial assets within the Company are deemed to be classified as loans and receivables.

These are initially recognised at fair value plus transaction costs, and subsequently at amortised cost. Examples of loans and receivables include trade receivables, unlisted investments, sundry receivables and cash at bank and in hand.

Financial liabilities

All financial liabilities within the Company are deemed to be classified as other financial liabilities.

They are valued at fair value at inception and then amortised cost subsequently. Other financial liabilities are all financial liabilities that have value to the supplying party, for instance debt finance, trade payables, other payables and accruals.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current taxation

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

Critical accounting estimates, judgements and assumptions

The Directors have not been required to make any judgements which have a significant impact upon the financial statements, nor have they been required to make any significant estimates or assumptions which could result in a significant risk of material adjustments in future periods.

2. Directors' remuneration and employee information

The Directors' emoluments are borne by the ultimate parent undertaking Sanctuary Housing Association, consequently any expenses payable are also borne by Sanctuary Housing Association; these expenses are negligible.

The Company has no employees

Notes to the financial statements for the period ended 31 March 2018 continued

3. Other operating expenses

	2018	2017
	£'000	£'000
Release of intercompany balances	<u>-</u>	<u>9</u>

Balances due to Group companies were released as part of a restructuring process prior to acquisition by Sanctuary Housing Association.

4. Taxation on profit

(a) Analysis of tax charge for the period

	2018	2017
	£'000	£'000
Current tax:		
UK corporation tax on profit for the period	-	-
Adjustments to prior periods	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

(b) Factors affecting the tax charge for the period

	2018	2017
	£'000	£'000
Result/(loss) before taxation	<u>-</u>	<u>(10)</u>
Result/(loss) before taxation multiplied by the main rate of corporation tax in the UK 19% (2017: 19.75%)	-	(2)
Effects of:		
Tax effect of expenses that are not deductible/(income that is not chargeable) in determining taxable profit	<u>-</u>	<u>2</u>
Total tax charge for the period	<u>-</u>	<u>-</u>

(c) Factors affecting future tax charge

A reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future current tax charge accordingly.

5. Debtors

	2018	2017
	£'000	£'000
Amounts owed by parent and fellow subsidiary undertakings	<u>542</u>	<u>624</u>

Amounts owed by parent and fellow subsidiary undertakings are trading in nature, are repayable on demand and do not bear interest.

Notes to the financial statements for the period ended 31 March 2018 continued

6. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to parent and fellow subsidiary undertakings	-	82

Amounts owed to parent and fellow subsidiary undertakings are trading in nature, are repayable on demand and do not bear interest.

7. Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid:		
1 ordinary shares of £1 each	1	1

8. Ultimate parent undertaking and controlling party

The immediate parent company is Sanctuary Care (R) Scotland Limited (formerly Embrace Realty Scotland Limited), a company registered in England and Wales under registration number SC284176.

The ultimate parent undertaking and controlling party is Sanctuary Housing Association, being the smallest and largest group to consolidate these financial statements, registered in England as a Registered Society (Number 19059R) and with the Homes and Communities Agency (Number L0247).

9. Events after the reporting period

No matters have arisen since the period end that require disclosure in the financial statements.