

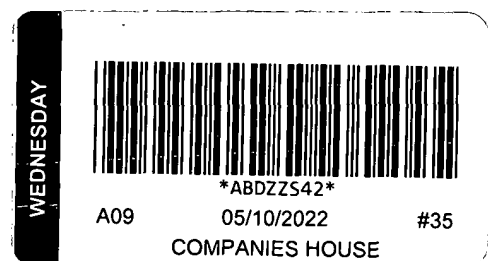
**Signature Senior Lifestyle
Operations Ltd**

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 06827497



Signature Senior Lifestyle Operations Ltd

Company Information

Directors	L K Cox A G Roche S G Gardner G Y Chow
Company secretary	C G Mutter
Registered number	06827497
Registered office	Grosvenor House Horseshoe Crescent Beaconsfield Buckinghamshire HP9 1LJ
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Signature Senior Lifestyle Operations Ltd

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 27

Signature Senior Lifestyle Operations Ltd

Strategic Report For the Year Ended 31 December 2021

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021.

Business review

The principal activity of the company is to provide services to both group and third party companies under negotiated Operating Care and Management Agreements.

In performing these activities the company recorded a loss in the year of £337,999 (2020: £490,025).

During the year the company entered into a new management contract with Welltower Inc. to manage the operations of 18 additional care homes from 1 December 2021. Under this agreement, the company expects to generate approximately £5 million additional revenue per annum and to increase headcount by circa 2,000 employees.

Principal risks and uncertainties

The risks associated with the activities performed by the Signature group may be summarised as:

Non-compliance with CQC regulations

CQC compliance achieves a high degree of focus from the Signature board. Signature seeks to ensure that the senior team is structured effectively in order to allow all individuals to perform their roles and responsibilities to a high standard, ensuring that residents' needs are always met. Internal governance procedures are in place to monitor all homes operated by Signature on a regular basis. At 31 December 2021, all homes managed by Signature are rated either "Good" or "Outstanding".

A further downturn in the macroeconomic environment, reducing the demand for super-premium care facilities resulting in unsatisfactory levels of occupancy being achieved.

Occupancy levels within the care home sector have remained relatively strong in recent years, despite the downturn in the economic environment. Further, the majority of reports suggest that predominantly private pay operators, such as Signature, have been further sheltered from the downturn. Average occupancy levels in mature homes operated by Signature remained strong. All non-mature homes continued to lease-up. Whilst this position was impacted by the pandemic, the underlying fundamentals of the market remain positive.

All risks are continually under review. The board is comprised of directors with direct relevant experience from within the care industry.

Failing to comply with management contract terms, resulting in termination

The company provides services under management contracts. All management contracts are secure and long term in nature, yet contain termination provisions in the event of non-performance. There is therefore an inherent risk of termination should the company fail to meet its obligations. This risk is however deemed to be addressed via a robust management framework which ensures compliance with all key contracts.

Financial key performance indicators

	2021	2020
Assets under management (number)	36	13
Fee income generated (£m)	45	43
Operating loss (£k)	(429)	(528)

Signature Senior Lifestyle Operations Ltd

Strategic Report (continued) For the Year Ended 31 December 2021

Section 172 statement

The Signature Senior Lifestyle Operations Limited board acts in good faith and to promote the success of the company for the benefit of its stakeholders. In doing so, it has regard, amongst other matters, to:

- a. The likely consequences of any decision in the long term;
- b. The interests of the company's employees;
- c. The need to foster the company's business relationships with suppliers, customers and others;
- d. The impact of the company's operations on the community and the environment;
- e. The desirability of the company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly between members of the company.

The directors have received guidance and training from the company secretary to support the performance of their statutory duties and have been briefed on the additional reporting requirements introduced by the Companies Act (Miscellaneous Reporting) Regulations 2018.

In planning and implementing the group's corporate objectives and for activity that Signature business undertakes, the company aims to:

- Provide world class service to every resident in the care homes Signature operate,
- Support and develop our teams as a best-in-class employer in every location,
- Build strong relationships and be a fair and valued partner to the company's suppliers, and
- Maintain an open and honest relationship with the CQC. Signature works with the CQC to ensure all Signature care homes meet regulatory requirements and act quickly to address any issues or concerns raised.

The company aims to provide a valuable service and to be a central part of all of the local communities in which it operates. The company also have a range of plans and initiatives to actively reduce its energy consumption to support the environment.

It is central to the continued success of the business that the company retains its reputation for high standards of resident care and business conduct.

This report was approved by the board on 30 September 2022 and signed on its behalf.



S G Gardner
Director

Signature Senior Lifestyle Operations Ltd

Directors' Report For the Year Ended 31 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £337,999 (2020: £490,025).

No dividends were paid in the current or prior year.

Directors

The directors who served during the year and to the date of this report were:

L K Cox
A G Roche
T J Ball (resigned 27 April 2022)
T B Newell (resigned 30 June 2022)

S G Gardner and G Y Chow were appointed as directors after the year end.

Going concern

At the year-end, the company has net liabilities of £2,686,415 (2020: £2,348,416) and made a loss for the year of £337,999 (2020: £490,025). The company is reliant on the continued support of its parent undertaking to be able to continue to operate as a going concern. A letter of support has been obtained pledging this support for the foreseeable future, being at least 12 months from the date of the approval of these financial statements.

The company exists as a cost centre for a number of care homes outside of the Signature group but operating under the Signature brand. As such, it is necessary to consider the risks facing the operating companies for these care homes in the UK care home market.

Operation of care homes:

The group provides management services to care and nursing home operations. Its fees for these services are directly linked to the revenues generated by the underlying operating homes. During the pandemic all care homes saw their revenues contracted as a result of numerous admission embargoes placed upon them via local and national lock down events. This negatively impacted underlying 2020 income with the continuing impact on Q1 of 2021. However, with the ease of lock down restrictions from Q2 2021, the occupancy grew consistently in nearly all Signature sites and this trend continued every month through to Q3 2022.

The directors note that the parent company SSL Group (UK) Limited has a commercial incentive to continue supporting the company due to the fact that the company generates a significant portion of the total revenue for the group and its activities directly link with the other operating activities of the group. It should however be noted that SSL Group (UK) Limited is itself reliant on non-legally binding support from its ultimate parent company Revera Inc. Revera Inc. has significant reserves and has a commercial incentive to continue supporting the group as Revera continue to expand their UK operations and has provided a letter of support confirming that they will not withdraw the support currently given and pledging such further support to the parent company that may be necessary for the foreseeable future, being at least twelve months from the signing of the parent company's financial statements. Based on this the directors consider that the parent company will be able to provide support to the company should it be required.

Therefore, even in the worst case scenario, the directors are confident that for the foreseeable future, being twelve months from the approval of these financial statements, the company would be able to meet its liabilities as they fall due. For this reason the directors believe that it remains appropriate to prepare the accounts on the going concern basis.

Signature Senior Lifestyle Operations Ltd

Directors' Report (continued) For the Year Ended 31 December 2021

Financial instruments

The Company uses various financial instruments including cash equity, trade receivables and trade payables in the course of its operations.

The use of these instruments gives rise to risks associated with liquidity risk and credit risk. The directors review and agree policies to deal with each of these risks as summarised below.

Price risk

The Company continues to regularly review the market and monitor any change in risk.

Liquidity risk

The Company seeks to manage financial risk of liquidity by ensuring it has sufficient cash resources available to meet foreseeable needs at all times.

Cash flow risk

The Company monitors cash flow as part of its day-to-day control procedures.

Future developments

The Signature group is currently progressing a number of development opportunities. At the year-end date, eight (2020: nine) projects were in various stages of the development program. Once completed, each developed home will be operated and managed by Signature Senior Lifestyle (Operations) Limited. Four of the eight development projects will generate accretive operating management fee incomes in the next 12 months.

The group continues to actively search for and identify new opportunities, and the aim of the business is to ultimately develop and operate in excess of 25 - 30 Care and Nursing home facilities in prime south east locations.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group had continued through the Signature Connections Newsletter. In addition, the recognition awards, Signature's Leading Lights, were again held throughout 2019, with the awards focusing on employee innovation and involvement in group performance. Regular meetings are held with local management and employees to allow free flow of information and ideas.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available for disabled persons for training, career development and promotion.

Where an existing employee becomes disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternate position and to provide appropriate training to achieve this aim.

Signature Senior Lifestyle Operations Ltd

Directors' Report (continued) For the Year Ended 31 December 2021

Engagement with suppliers, customers and others

Providing exceptional care for the residents is the primary focus for the Group. Formal and informal engagement with residents and their families is crucial to delivering this.

Signature maintains close relationships with suppliers while always aiming to achieve long term value for both parties.

Signature strive to be a valued partner in every community in which one of Signature care homes operates. Signature aim to be the employer of choice in every location and have a strong focus on ensuring our Team Members are provided with the support they need to develop their careers whilst deliver outstanding resident care.

SECR: Emissions and energy consumption

The company is exempt from the requirement to disclose emissions and energy consumption reporting because the information is included in the consolidated financial statements of another group entity.

Disclosure of information to auditor

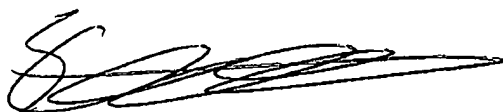
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 30 September 2022 and signed on its behalf.



S G Gardner
Director

Signature Senior Lifestyle Operations Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2021

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, 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 then apply them consistently;
- make judgements and accounting 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; 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.

Signature Senior Lifestyle Operations Ltd

Independent Auditor's Report to the Members of Signature Senior Lifestyle Operations Ltd

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

We have audited the financial statements of Signature Senior Lifestyle Operations Ltd ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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).

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 auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Signature Senior Lifestyle Operations Ltd

Independent Auditor's Report to the Members of Signature Senior Lifestyle Operations Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial statements, 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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 Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Signature Senior Lifestyle Operations Ltd

Independent Auditor's Report to the Members of Signature Senior Lifestyle Operations Ltd (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006), relevant tax compliance regulations in the United Kingdom, and the Bribery Act 2010.
- We understood how the company is complying with those frameworks by making inquiries of those charged with Governance and management. We corroborated our understanding through our review of board minutes and a review of company's documented policies and procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, through discussions with management to understand where they considered there was susceptibility to fraud and by considering the key risks impacting the financial statements, and we identified fraud risk in relation to improper revenue recognition and management override of controls. For the identified fraud risk, we gained an understanding of the processes and controls by performing walkthroughs to evaluate the design and implementation of controls and we completed the following:
 - In relation to the risk of improper revenue recognition on a milestone basis, we tested the revenue and related deferred income through control and substantive testing, and through performance of analytical procedures on a sample basis by lowering our sampling threshold to gain a high level of assurance over the revenue,
 - In relation to the risk of management override of controls, we performed journal entry testing and selecting samples based on unique characteristics of the journal entries.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries, review of Board minutes, making enquiries of management and those charged with Governance and review of the financial statements to test compliance with the reporting requirements of the company.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Signature Senior Lifestyle Operations Ltd

Independent Auditor's Report to the Members of Signature Senior Lifestyle Operations Ltd (continued)

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.

DocuSigned by:

Nick Poulter

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Nick Poulter (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Guildford

United Kingdom

Date: 30 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Signature Senior Lifestyle Operations Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	49,217,898	42,734,855
Cost of sales		(45,212,278)	(38,951,161)
Gross profit		4,005,620	3,783,694
Administrative expenses		(4,434,995)	(3,211,626)
Exceptional expenses	5	-	(1,100,000)
Operating loss	6	(429,375)	(527,932)
Interest receivable and similar income	8	-	28,661
Interest payable and similar charges	9	(26,445)	(393)
Loss before tax		(455,820)	(499,664)
Tax on loss	10	117,821	9,639
Loss for the financial year		(337,999)	(490,025)

All amounts relate to continuing operations.

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 14 to 27 form part of these financial statements.

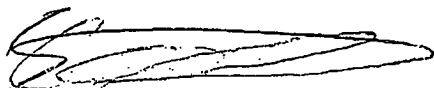
Signature Senior Lifestyle Operations Ltd

Registration number: 06827497

Statement of Financial Position As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	11		-		-
Investments	12		3		3
			<u>3</u>		<u>3</u>
Current assets					
Debtors: amounts falling due within one year	13	7,907,873		2,153,928	
Cash at bank and in hand		10,904,452		4,275,440	
		<u>18,812,325</u>		<u>6,429,368</u>	
Creditors: amounts falling due within one year	14	(21,498,743)		(8,777,787)	
Net current liabilities			<u>(2,686,418)</u>		<u>(2,348,419)</u>
Total assets less current liabilities			<u>(2,686,415)</u>		<u>(2,348,416)</u>
Net liabilities			<u>(2,686,415)</u>		<u>(2,348,416)</u>
Capital and reserves					
Called up share capital	16		2		2
Profit and loss account	17		(2,686,417)		(2,348,418)
Total equity			<u>(2,686,415)</u>		<u>(2,348,416)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2022.



S G Gardner
Director

The notes on pages 14 to 27 form part of these financial statements.

Signature Senior Lifestyle Operations Ltd

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	2	(2,348,418)	(2,348,416)
Comprehensive loss for the year			
Loss for the year	-	(337,999)	(337,999)
Total comprehensive loss for the year	-	(337,999)	(337,999)
At 31 December 2021	2	(2,686,417)	(2,686,415)

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	2	(1,858,393)	(1,858,391)
Comprehensive loss for the year			
Loss for the year	-	(490,025)	(490,025)
Total comprehensive loss for the year	-	(490,025)	(490,025)
At 31 December 2020	2	(2,348,418)	(2,348,416)

The notes on pages 14 to 27 form part of these financial statements.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Signature Senior Lifestyle Operations Ltd is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office can be found on the Company Information page and the nature of the company's operations and its principal activity are set out in the Strategic Report.

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 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

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 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 11.42, 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; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SSL Group (UK) Limited as at 31 December 2021 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

At the year-end, the company has net liabilities of £2,686,415 (2020: £2,348,416) and made a loss for the year of £337,999 (2020: £490,025). The company is reliant on the continued support of its parent undertaking to be able to continue to operate as a going concern. A letter of support has been obtained pledging this support for the foreseeable future, being at least twelve months from the date of the approval of these financial statements.

The company exists as a cost centre for a number of care homes outside of the Signature group but operating under the Signature brand. As such, it is necessary to consider the risks facing the operating companies for these care homes in the UK care home market.

Operation of care homes:

The group provides management services to care and nursing home operations. Its fees for these services are directly linked to the revenues generated by the underlying operating homes. During the pandemic all care homes operations saw their revenues contracted as a result of numerous admission embargoes placed upon them via local and national lock down events. This negatively impacted underlying 2020 income with the continuing impact on Q1 of 2021. However, with the ease of lock down restrictions from Q2 2021, the occupancy grew consistently in nearly all Signature sites and this trend continued every month through to Q3 2022.

The directors note that the parent company SSL Group (UK) Limited has a commercial incentive to continue supporting the company due to the fact that the company generates a significant portion of the total revenue for the group and its activities directly link with the other operating activities of the group. It should however be noted that SSL Group (UK) Limited is itself reliant on non-legally binding support from its ultimate parent company Revera Inc. Revera Inc. has significant reserves and has a commercial incentive to continue supporting the group as Revera continue to expand their UK operations and has provided a letter of support confirming that they will not withdraw the support currently given and pledging such further support to the parent company that may be necessary for the foreseeable future, being at least twelve months from the signing of the parent company's financial statements. Based on this the directors consider that the parent company will be able to provide support to the company should it be required.

Therefore, even in the worst case scenario, the directors are confident that for the foreseeable future, being twelve months from the approval of these financial statements, the company would be able to meet its liabilities as they fall due. For this reason the directors believe that it remains appropriate to prepare the accounts on the going concern basis.

2.4 Exemption from preparing consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements. The company is a subsidiary included in the consolidated financial statements of a company established under UK law and is therefore exempt under section 400 of the Companies Act 2006.

2.5 Turnover

Turnover comprises revenue recognised by the company in respect of composite welfare services supplied during the year, exclusive of Value Added Tax. Turnover is recognised to the extent that the company has performed its contractual obligations. All turnover arises within the United Kingdom.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 reporting 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 Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 Statement of Financial Position date.

2.11 Intangible fixed assets and amortisation

Intangible assets relate to the acquisition of a legal right to secure income over the lifetime of a contract entered into by the company and other group entities. The rights are capitalised and amortised through the Statement of Comprehensive Income within "Administrative expenses" over the lifetime of the contract of 10 years.

Impairment tests on the carrying value of the intangible asset are undertaken:

- at the end of the first full financial year following the acquisition; and
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.12 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.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.13 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

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, unless it qualifies as a loan from a director in the case of a small company or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

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 Statement of Financial Position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.14 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.

2.15 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.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

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

In preparing these financial statements, the directors have identified the following sources of estimation uncertainty:

- Deferred tax (see note 15)

Management estimation is required to determine the amount of deferred tax assets that can be recognised based upon likely the timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4. Turnover

The whole of the turnover is attributable to one class of business relating to the principal activity of the company and all turnover arose within the United Kingdom.

5. Exceptional items

	2021 £	2020 £
Waiver of intercompany debtors	-	(1,100,000)
	<u>-</u>	<u>(1,100,000)</u>

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	-	60,000
Defined contribution pension cost	<u>1,204,663</u>	<u>1,126,766</u>

The audit fee for the company of £37,580 (2020: £17,000) has been borne by Signature Senior Lifestyle Limited, a company which meets all the group overheads.

Disclosure of non-audit remuneration is provided in the consolidated accounts of SSL Group (UK) Limited.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	38,940,437	33,668,821
Social security costs	2,792,179	2,874,755
Cost of defined contribution scheme	1,204,663	1,126,766
	<u>42,937,279</u>	<u>37,670,342</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Care operations	<u>1,822</u>	<u>1,638</u>

During the year, no director received any emoluments (2020: £Nil).

The company's directors are remunerated by a fellow group company Signature Senior Lifestyle Limited. The company receives a monthly recharge from Signature Senior Lifestyle Limited which includes a fair apportionment of the directors' annual remuneration, having regard to the level of time spent and nature of the company's affairs. For the year to 31 December 2021, the directors annual remuneration that would be attributable to this company is approximately £726,719 (2020: £301,104).

8. Interest receivable and similar income

	2021 £	2020 £
Interest receivable from group companies	<u>-</u>	<u>28,661</u>

9. Interest payable and similar charges

	2021 £	2020 £
Bank interest payable	-	393
Interest payable to group companies	26,445	-
	<u>26,445</u>	<u>393</u>

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Taxation

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	(107,333)	(6,865)
Effect of tax rate change on opening balance	(10,488)	(2,774)
Total deferred tax	(117,821)	(9,639)
Taxation on loss on ordinary activities	(117,821)	(9,639)

Factors affecting tax credit for the year

The tax assessed for the year differs from standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(455,820)	(499,664)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(86,606)	(94,936)
Effects of:		
Expenses not deductible for tax purposes	5,033	209,000
Group relief claimed	-	(120,929)
Remeasurement of deferred tax for changes in tax rates	(36,248)	(2,774)
Total tax credit for the year	(117,821)	(9,639)

Factors that may affect future tax charges

The company has tax losses of approximately £417,418 (2020: £174,810) to carry forward against profits of future periods.

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax asset at the Statement of Financial Position date has been calculated using the applicable rate when the asset is expected to be realised.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

11. Intangible fixed assets

	Legal Rights £
Cost	
At 1 January 2021 and 31 December 2021	720,000
Amortisation	
At 1 January 2021 and 31 December 2021	720,000
Net book value	
At 1 January 2021 and 31 December 2021	-

12. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2021	3
At 31 December 2021	3

At the year end the company had the following interests in three limited liability partnerships:

Name:	% ownership
Signature Senior Lifestyle GP III LLP	50%
Signature Senior Lifestyle GP IV LLP	50%
Signature Senior Lifestyle GP V LLP	50%

The registered office address of the above limited liability partnerships is Grosvenor House, Horseshoe Crescent, Beaconsfield, Buckinghamshire, HP9 1LJ.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

13. Debtors

	2021 £	2020 £
Trade debtors	-	1,235,888
Amounts owed by group undertakings	345,115	786,285
Other debtors	14,221	59,964
Prepayments & accrued income	7,397,502	38,577
Deferred taxation (see note 16)	151,035	33,214
	<u>7,907,873</u>	<u>2,153,928</u>

Included in trade debtors are the following amounts owed by related parties who are not group undertakings (see note 19):

	2021 £	2020 £
Signature of Reigate (Operations) Limited	-	62,997
WR Signature Operations Limited	-	230,732
WR Operations 1 Limited (formerly Signature of Camberley (Operations) Limited)	-	66,553
WR Operations 5 Limited (formerly Signature of Hindhead (Operations) Limited)	-	110,261
WR Operations 2 Limited (formerly Signature of Brentwood (Operations) Limited)	-	109,718
WR Operations 3 Limited (formerly Signature of Coombe (Operations) Limited)	-	114,354
WR Operations 4 Limited (formerly Signature of Epsom (Operations) Limited)	-	126,812
WR Operations 7 Limited (formerly Signature of Sunninghill (Operations) Limited)	-	67,788
WR Operations 6 Limited (formerly Signature of Marlow (Operations) Limited)	-	91,222
Wimbledon Opco Limited	-	17,441
	<u>-</u>	<u>997,878</u>

Amounts owed by group undertakings are unsecured, bear interest at 4% plus Bank of England base rate and are repayable on demand.

The amounts owed by related parties who are not group undertakings are interest free, unsecured and repayable on demand.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	32,430
Amounts owed to group undertakings	2,902,414	2,237,046
Other taxation and social security	802,463	892,733
Other creditors	13,381,085	5,507,773
Accruals and deferred income	4,412,781	107,805
	<u>21,498,743</u>	<u>8,777,787</u>

Included in other creditors are the following amounts of cash held on behalf of the following related parties who are not group undertakings (see note 19):

	2021 £	2020 £
Signature of Reigate (Operations) Limited	19,130	48,647
WR Signature Operations Limited	2,172,050	1,135,744
Signature of Hertford (Operations) Limited	22,536	-
WR Operations 1 Limited (formerly Signature of Camberley (Operations) Limited)	7,832,328	76,842
WR Operations 5 Limited (formerly Signature of Hindhead (Operations) Limited)	-	330,443
WR Operations 2 Limited (formerly Signature of Brentwood (Operations) Limited)	-	161,387
WR Operations 3 Limited (formerly Signature of Coombe (Operations) Limited)	-	376,504
WR Operations 4 Limited (formerly Signature of Epsom (Operations) Limited)	-	320,331
WR Operations 7 Limited (formerly Signature of Sunninghill (Operations) Limited)	-	161,359
WR Operations 6 Limited (formerly Signature of Marlow (Operations) Limited)	-	202,303
Wimbledon Opco Limited	-	592,098
	<u>10,046,044</u>	<u>3,405,658</u>

Amounts owed to group undertakings are unsecured, bear interest at 4% plus Bank of England base rate and are repayable on demand.

The amounts owed to related parties who are not group undertakings are interest free, unsecured and repayable on demand.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

15. Deferred taxation

	2021 £
At beginning of year	33,214
Credited to the profit or loss	117,821
At end of year	151,035

The deferred tax asset is made up as follows:

	2021 £	2020 £
Short term timing differences	46,680	33,214
Losses and other deductions	104,355	-
	151,035	33,214

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 (2020: 2) ordinary shares of £1 each	2	2

17. Reserves

The company's reserves are as follows:

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,204,663 (2020: £1,126,766). Contributions totalling £186,721 (2020: £174,810) were payable to the fund at the reporting date.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

19. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

Signature of Reigate (Operations) Limited is regarded as a related party as the company has a fellow subsidiary which is the General Partner to, and another fellow subsidiary which has a co-investment of 20% in, SSL Partners III LP. SSL Partners III LP ultimately owns Signature of Reigate (Operations) Limited.

During the year, the company charged composite welfare services fees of £3,367,285 (2020: £3,106,690) to Signature of Reigate (Operations) Limited of which £185,649 was part of deferred income at the year end (2020: £62,997 owed by Signature of Reigate (Operations) Limited).

WR Signature Operations Limited is regarded as a related party as a group company has a co-investment of 25% in the company.

During the year, the company charged composite welfare services fees of £12,083,279 (2020: £8,165,377) to WR Signature Operations Limited of which £673,538 was part of deferred income at the year end (2020: £230,732 owed by WR Signature Operations Limited).

WR Operations 1 Limited is regarded as a related party as a group company has an investment of 25% in the company.

During the year, the company charged composite welfare services fees of £14,833,070 (2020: £34,910) to WR Operations 1 Limited of which £1,242,580 was part of deferred income at the year end (2020: £66,553 owed by WR Operations 1 Limited).

Signature of Hertford (Operations) Limited is regarded as a related party as a group company has 100% equity interest in the company.

During the year, the company charged composite welfare services fees of £3,425,945 (2020: Nil) to Signature of Hertford (Operations) Limited of which £174,183 was part of deferred income at the year end (2020: £Nil).

SSL Caversham Unit Trust and SSL Farnham Common Unit Trust are regarded as related parties as they are owned by SSL Partners IV LP. A fellow subsidiary of the company is the General Partner to SSL Partners IV LP, a fund in which another group company also has a co-investment at 0.1%. SSL Enfield Unit Trust and SSL Emerson Park Unit Trust are regarded as related parties as they are owned by SSL Partners V LP. A fellow subsidiary of the company is the General Partner to SSL Partners V LP, a fund in which another group company also has a co-investment of 50%. During the year, the company charged composite welfare services fees to SSL Caversham Unit Trust and SSL Farnham Common Unit Trust of £45,000 each respectively. No amounts were owing to or from the company at the year end.

Willow Tower Opco 1 Limited (formerly Sunrise UK Operations Limited) is regarded as a related party as a group company has a co-investment of 10% in the company. During the year, the company charged composite welfare services fees to Willow Tower Opco 1 (formerly Sunrise UK Operations Limited) of £4,963,401. At the year end Willow Tower Opco 1 Limited (formerly Sunrise UK Operations Limited) owed the company £4,963,401 (2020: £Nil).

WR Operations 2 Limited, WR Operations 3 Limited, WR Operations 4 Limited, WR Operations 5 Limited, WR Operations 6 Limited, WR Operations 7 Limited and Wimbledon Opco Limited are regarded as a related parties as a group company has an investment of 25% in these companies.

Signature Senior Lifestyle Operations Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

20. Related party transactions (continued)

During the year from 1 June 2021, the operations of WR Operations 2 Limited, WR Operations 3 Limited, WR Operations 4 Limited, WR Operations 5 Limited, WR Operations 6 Limited and WR Operations 7 Limited were hived up into WR Operations 1 Limited, and that of Wimbledon Opco Limited into WR Signature Operations Limited, therefore, the composite welfare fee charged from 1 January 2021 to 30 May 2021 to these entities up to the date of hive up is shown below and is excluded from the total composite welfare fee charge disclosed as above for WR Operations 1 Limited and WR Signature Operations Limited:

	2021 £	2020 £
WR Operations 5 Limited (formerly Signature of Hindhead (Operations) Limited)	1,750,480	32,873
WR Operations 2 Limited (formerly Signature of Brentwood (Operations) Limited)	1,656,070	33,554
WR Operations 3 Limited (formerly Signature of Coombe (Operations) Limited)	1,710,120	34,910
WR Operations 4 Limited (formerly Signature of Epsom (Operations) Limited)	1,667,240	36,504
WR Operations 7 Limited (formerly Signature of Sunninghill (Operations) Limited)	1,166,090	23,097
WR Operations 6 Limited (formerly Signature of Marlow (Operations) Limited)	1,339,950	27,907
Wimbledon Opco Limited	1,164,920	22,545
	<u>10,454,870</u>	<u>211,390</u>

The company also holds cash on behalf of all the above entities which is included in the cash balance, the outstanding amounts owed to the above entities at the year end are included in other creditors (see note 15). These amounts are unsecured and repayable on demand.

20. Ultimate parent undertaking and controlling party

The company's immediate parent company is Signature Senior Lifestyle Finance Limited, a company registered in England and Wales, and its ultimate parent company is Revera Inc., a company incorporated in Canada.

The parent company of the smallest and largest group for which consolidated accounts are produced, of which Signature Senior Lifestyle Operations Limited is a member, is SSL Group (UK) Limited. The registered office address of SSL Group (UK) Limited is Grosvenor House, Horseshoe Crescent, Beaconsfield, Buckinghamshire, HP9 1LJ. These consolidated accounts are publicly available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors consider the ultimate controlling party to be The Public Sector Pension Investment Board of Canada.