Registered number: 06295365

LIFEWAYS FINANCE LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

COMPANY INFORMATION

Directors	J Tydeman (appointed 6 June 2018) M Stevens G A Cross (resigned 19 September 2017) P Marriner (resigned 6 June 2018)
Company number	06295365
Registered office	56 Southwark Bridge Road London SE1 0AS United Kingdom
Auditor	Deloitte LLP 1 New Street Square London EC4 3HQ
Bankers	HSBC Bank PLC 26 Broad Street Reading Berkshire RG1 2BU United Kingdom
Solicitors	Shoosmiths LLP Witan Gate House 500 – 600 Witan Gate West Milton Keynes MK9 1SH United Kingdom

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LIFEWAYS FINANCE LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

Introduction

The directors present their strategic report for the year ended 31 August 2018.

Principal activity

The principal activities of Lifeways Finance Limited ("the Company"), along with its subsidiaries (together "the Group") are the provision of support to individuals with learning disabilities, mental health conditions and other complex needs both in the community and in residential homes. The Group's vision is to help people live ordinary, independent and happy lives through extraordinary support.

The principal activity of the Company is that of an intermediate holding company within the wider Listrac Holdings Limited group of companies ("the Listrac Holdings Group").

Review of the business

The Group's principal activity during the period continues to be the provision of services to individuals with diverse and often complex needs. We take pride in being one of the UK's most forward thinking and innovative providers of services supporting individuals nationally with an outcome focused approach. Whether it is supporting a person for just a few hours each week, to 24/7 care and support, we adapt to each person's needs and aspirations as they change, enabling every person we support to live their life to their full potential.

Key performance indicators

The key financial and other performance indicators during the year were as follows:

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Revenue	**266,898,265**	242,757,219
Gross profit	**85,096,597**	78,240,448
Gross profit percentage	**31.9%**	32.2%
Adjusted EBITDA*	**27,186,640**	27,490,224
Loss before tax	**(48,144,363)**	(5,304,976)
Average number of care staff	**9,222**	9,042

*Earnings before interest, tax, depreciation and amortisation and before unusual and non-recurring items (See note 10 for definition). The directors consider this to be most useful indicator of current, past and future financial performance of the business.

Performance in the year

The Group's year of trading resulted in revenues of £266.9m (2017 - £242.8m) and £27.2m (2017 - £27.5m) of EBITDA before unusual and non-recurring items of £15.3m (2017 - £11.9m).

During the year, the Group has gone through significant transformation as part of the Lifeways 2020 strategy. Lifeways 2020 is a set of seven work-streams that the business is engaged which are planned to bring a material benefit both to EBITDA and operating cashflow by 31 December 2020. With the backing of shareholders, we have chosen to invest in our business for the long term. As a result, certain unusual and non-recurring costs were incurred during the year, as outlined in note 10 to the financial statements.

The increase in reported statutory loss compared to prior year is attributable to the significant business transformation activities and prior year's results including additional income from sale and leaseback transactions.

Service excellence

The people we support, and the quality of support we provide, are and will remain the most important aspects of our business. To achieve our high levels of quality, we comprehensively measure and audit the quality of our service delivery across the organisation. The training of our staff to deliver excellence is a key component of this approach and within the year we implemented an on demand training capability, improving our existing approach.

During the year we have maintained IS09001:2000, IS014001, IS027001 and OHSAS18001. The ISO is awarded to those organisations that are able to show they have high quality assurance systems, policies and procedures in place to ensure high quality of service delivery. We hold memberships of the British Safety Council, NASHIC (National Assocation of Safety and Health in Care Homes) and are also accredited by CHAS (Contractors Health and Safety Assessment Scheme).

Employees

The directors should like to acknowledge the hard work, commitment and dedication of all people within the Group during the year. We pay competitive rates and invest in the recruitment and retention of a dedicated and skilled workforce in a market which is recognised to suffer from staff shortages with high turnover rates.

Liquidity and cash flow risk

The Group maintains cash to fund the day-to-day requirements of the business, subject to intra-month peaks and troughs related to the timing of fee receipts compared to purchase ledger payments. The Group's funding and cash flow requirements are managed on a group-wide basis as part of the Larger Group. As part of this arrangement the Company and a number of its subsidiaries are guarantors for the external debt held by Listrac Bidco Limited.

The Group's principal financial asset is its trade debtors. A high proportion of customers are public sector bodies such as Local Authority Commissioning Groups. In order to manage associated credit risk, meetings take place between the directors and the credit control team with aged debtor listings being reviewed on a regular basis. The Group generated negative cash flows from operating activities of £15.1m (2017 – positive cash flows 18.3m) which is analysed further in the Consolidated Statement of Cash Flows.

Principal Risks and Uncertainties

The following are the most significant risks faced by the business:

• Health and safety – The business currently employs 11,000 staff providing services to circa 4,800 Service Users who often have challenging and complex needs. These services take place predominantly in our Service Users' own homes or in residential homes and carry a degree of risk of accidents. The board regards the health and safety of the people we support and employees as its most important responsibility and has a robust health and safety policy in place to manage and minimise the risk of accidents. The Group's health and safety manual, which details best practice procedures, is available to all staff and its contents are reinforced through training and development. A monthly health and safety report is submitted to the board and regular health and safety and staff training audits are conducted with the results reported to the board. Health and safety is regarded as the responsibility of every employee.

• Service quality – The provision of a quality service to individuals and funders is key to the retention of customers. In order to ensure this quality service is maintained, appropriate training and supervision is given to staff, reinforced by procedures, manuals and internal quality audits. A report on quality assurance is submitted to the board every month.

• Failure to comply with regulation – A regular dialogue is held with the Group's regulatory bodies, the Care Quality Commission, Care Inspectorate and the Commission for Social Services Inspectorate, Wales (CSSIW) to ensure our procedures comply with all regulations. If there are adverse findings from regulatory inspections these are followed up promptly and improvements made when necessary.

• Staff recruitment and retention – High quality skilled staff are required to service the people we support and grow the Group's business. The Group operates a recruitment process that ensures we can attract staff and completes the necessary regulatory checks prior to employment. The Group's training and development approach is designed to increase the skill levels of existing and potential employees and the directors believe its pay rates are competitive in the market.

• Shift in governmental policies - As the majority of the Group's sales are to the public sector, revenues could be vulnerable to a major policy shift away from supported living. However, the board does not consider this to be a major risk as the community care model is well established and has proven its value and effectiveness.

• National Living Wage – HM Government announced an increase in the National Living Wage for people aged 25 or over from April 2019 to £8.21 per hour. The cost impact of changes to wage rates is material to the Group. To mitigate this increase the Group engages positively with the commissioners of our services to ensure these uplifts are fully funded.

• Sleep-ins – Judgement was delivered in Mencap's favour on the Sleep In case on the 20th July 2018 meaning that National Living Wage does not apply to sleep-ins. This outcome has been followed by Guidance from BIS that the National Minimum Wage does not apply to time spent when asleep. Whilst the individual who bought the case has appealed to the Supreme Court it is considered unlikely that this will succeed.

• Litigation – The business could be subject to litigation as a consequence of incidents that can occur as it supports people with challenging and complex behaviours. In addition to robust policies and procedures the business carries insurance cover to mitigate the cost of such claims, but notes that should any fines be incurred that these cannot be insured against.

• Brexit – Britain's decision to leave the European Union may lead to a more challenging environment in the short and long term due to uncertainties in the current market and future impacts on our workforce. We continue to monitor diligently the terms of Brexit negotiations to assess any impact for the Group in this time of uncertainty.

Going concern

The directors manage cashflows, including debt facilities, across the Listrac Holdings Group as a whole.

The Company's Statement of Financial Position includes net liabilities of £62,472,248 (2017 – net assets of £27,394,248).

On 12 September 2019, the Listrac Holdings Group, of which the Company is a member, completed a renegotiation of its banking and shareholder facilities. The key terms of the revised facilities are described in the post balance sheet events note below and include amendments to repayment dates, interest rates and financial covenants.

In undertaking their assessment of going concern, the directors have reviewed the detailed forecast of the anticipated financial performance and cashflows of the Listrac Holdings Group through to August 2022. This forecast includes the expected improvement in profitability and cash generation from both continued delivery of the Lifeways 2020 strategic plan and the revised banking and shareholder facilities.

The directors have reviewed these forecasts against the working capital requirements of the Listrac Holdings Group, the covenants contained in the revised banking facilities and the known risks and opportunities facing the Listrac Holdings Group. Specifically, the directors have considered key sensitivities around assumed working capital improvements, capacity fill rates and margin enhancements. They have also considered the appeal to the Supreme Court against the legal position on "sleep in payments" that was clarified by the Court of Appeal in July 2018, concluding that this does not, at this time, alter the financial outlook.

After making enquiries and considering the forecasts and sensitivities above, the directors have concluded that they have a reasonable expectation that the Company and Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the annual financial statements have been prepared on a going concern basis.

....
M Stevens
Chief Financial Officer

13 September 2019

LIFEWAYS FINANCE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their report and the audited consolidated financial statements for the year ended 31 August 2018.

Dividends paid

There were no dividends paid in the year under review (2017 - £NIL).

Results

The income statement for the year ended 31 August 2018 is set out on page 14.

Directors

The directors who served during the year were:

P Marriner (resigned 6 June 2018)
M Stevens
G A Cross (resigned 19 September 2017)
J Tydeman (appointed 6 June 2018)

Qualifying third party indemnity policy

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Political contributions

No political contributions were made during the year or prior year.

Items disclosed in the Strategic Report

Treasury management and financial instruments, future outlook and principal risks and uncertainties are stated in the strategic report on page 4.

Employee involvement

HR Management is primarily tasked with supporting our business goals by attracting, retaining and developing the most talented people available to us. We promote an open culture and encourage the involvement of all staff in the development of the business. We recognise and reward our staff for their effort and contribution towards achievement of individual objectives in support of the Group's goals.

Disabled employees

All applications for employment are treated with full, fair and equal consideration. Job offers are entirely based on merit taking into account aptitude and capability to carry out each role based on a defined job specification. The Group has an excellent reputation for diversity, recognising and making the best use of all of its employees' skills. In the event that an employee became disabled, the Group would do its utmost to retain the employee by, wherever possible, providing an environment adapted for his/her needs. This could mean providing specially adapted working facilities, home working facilities or retraining. It is the policy of the Group that all job opportunities, career development, training and career advancement opportunities are available to all employees.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

Events after the reporting date

On 30 November 2018, OPE Lifeways Investment Limited ("OPE Lifeways"), an indirect owner of the majority economic interests of the Listrac Holdings Group, made a further injection of capital to support working capital and covenant compliance.

On 12 September 2019, the Listrac Holdings Group, of which the Company is a member, completed a restructure of its banking and shareholder facilities. The key terms of the Larger Group's bank loans (as disclosed in note 18 of the consolidated financial statements of Listrac Holdings Limited and note 15 in the financial statement of Listrac Bidco Limited) have been amended as follows:

• Facility A (£16.0m) expires in August 2022, with repayments due in instalments from June 2021. Interest payable ranges from LIBOR plus 675 bps to LIBOR plus 500 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 500 bps);
• Facility B (£132.9m) expires in November 2022, with a single bullet payment due at that date. Interest payable ranges from LIBOR plus 700 bps to LIBOR plus 525 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 525 bps);
• The Revolving Credit Facility (£10.0m) expires in November 2022. Interest payable ranges from LIBOR plus 700 bps to LIBOR plus 525 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 525 bps);
• The Acquisition Facility (£7.7m) expires in November 2022. Interest payable ranges from LIBOR plus 700 bps to LIBOR plus 525 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 525 bps);
• Financial covenants have been amended, with a leverage and cashflow covenant applying from August 2020 and February 2021 respectively. A minimum liquidity covenant applies from the date of new facilities.

In addition, the Group's majority shareholder, through OPE Lifeways, has provided additional committed facilities of £12m, at interest rates (non cash) of 1,200 bps.

At the time of signing of these financial statements, the United Kingdom is intending to leave the European Union on the 31 October 2019 under a 'No-deal' Brexit. The directors have assessed the impact of a 'No-deal' Brexit and consider that it is unlikely to have any material impact on the Group.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board on 13 September 2019 and signed on its behalf.

....
M Stevens
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIFEWAYS FINANCE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lifeways Finance Limited (the 'Parent company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 August 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated income statement;
- the Consolidated statement of comprehensive income;
- the Consolidated and parent company statement of financial position;
- the Consolidated and parent company statement of changes in equity;
- the Consolidated statement of cash flows; and
- the related notes 1 to 30.

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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 respect of these matters.

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 group's and the Parent 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 group or the Parent 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Report on other legal and regulatory requirements

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 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 group and of the Parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIFEWAYS FINANCE LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emma Cox

....

Emma Cox, BA, ACA

for and on behalf of **Deloitte LLP**
Statutory Auditor
London
United Kingdom

Date: 13 / 9 / 19

LIFEWAYS FINANCE LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Turnover	3	**266,898,265**	242,757,219
Cost of sales		**(181,801,668)**	(164,516,771)
Gross profit		**85,096,597**	78,240,448
Administrative expenses		**(121,350,148)**	(84,828,344)
EBITDA		**27,186,639**	27,490,224
Depreciation		**(5,781,452)**	(4,324,806)
Amortisation		**(18,245,631)**	(17,814,743)
Impairment of goodwill		**(30,918,549)**	-
Unusual and non-recurring items	10	**(15,322,558)**	(11,938,571)
Total operating loss	4	**(43,081,551)**	(6,587,896)
Profit on sale of tangible assets		**45,802**	7,925,501
Interest receivable and similar income	8	**15,634,442**	22,094
Interest payable and similar expenses	9	**(20,743,056)**	(6,664,675)
Other finance costs		**-**	(39,000)
Loss before tax		**(48,144,363)**	(5,304,976)
Tax on loss	11	**396,647**	1,062,341
Loss for the year		**(47,747,716)**	(4,242,635)

The notes on pages 21 to 47 form part of these financial statements.

All amounts relate to continuing operations.

LIFEWAYS FINANCE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2018

	2018 £	2017 £
Loss for the financial year	**(47,747,716)**	(4,242,635)
Other comprehensive income		
Actuarial gain on defined benefit schemes	**230,000**	2,046,000
Movement on deferred tax relating to actuarial loss	**(45,560)**	(376,260)
Other comprehensive gain for the year	**184,440**	1,669,740
Total comprehensive income for the year	**(47,563,276)**	(2,572,895)

The notes on pages 21 to 47 form part of these financial statements.

LIFEWAYS FINANCE LIMITED
Company number: 06295365

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	12		**158,422,750**		203,278,320
Tangible assets	14		**26,876,090**		27,028,032
			185,298,840		230,306,352
Current assets					
Debtors: amounts falling due within one year	17	**56,233,392**		54,004,953	
Cash at bank and in hand	18	**9,719,359**		24,775,522	
		65,952,751		78,780,475	
Creditors: amounts falling due within one year	19	**(142,376,950)**		(152,189,169)	
Net current liabilities			**(76,424,199)**		(73,408,694)
Total assets less current liabilities			**108,874,641**		156,897,658
Provisions for liabilities					
Other provisions	21	**(2,252,965)**		(2,615,706)	
			(2,252,965)		(2,615,706)
Net assets excluding pension asset			**106,621,676**		154,281,952
Pension liability	23		**(59,000)**		(156,000)
Net assets			**106,562,676**		154,125,952
Capital and reserves					
Called up share capital	22		**292**		292
Share premium account	26		**1,069,398**		1,069,398
Profit and loss account			**105,492,986**		153,056,262
Equity attributable to owners of the parent company			106,562,676		154,125,952
			106,562,676		154,125,952

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2019.

....
M Stevens
Director

The notes on pages 21 to 47 form part of these financial statements.

LIFEWAYS FINANCE LIMITED
Company number: 06295365

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	15		**6,093,204**		5,626,855
Investments	16		**150,419,282**		220,860,663
			156,512,486		226,487,518
Current assets					
Debtors: amounts falling due within one year	17	**21,982,308**		20,986,400	
Cash at bank and in hand	18	**3,684**		9,900,000	
		21,985,992		30,886,400	
Creditors: amounts falling due within one year	19	**(240,970,726)**		(229,979,670)	
Net current liabilities			**(218,984,734)**		(199,093,270)
Total assets less current liabilities			(62,472,248)		27,394,248
Net assets			**(62,472,248)**		27,394,248
Capital and reserves					
Called up share capital	22		**292**		292
Share premium account	26		**1,069,398**		1,069,398
Profit and loss account			**(63,541,938)**		26,324,558
Equity attributable to owners of the parent company			**(62,472,248)**		27,394,248

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2019.

The company made a loss for the year of £89.9m (2017 - £64.1m Loss).

....
M Stevens
Director

The notes on pages 21 to 47 form part of these financial statements.

LIFEWAYS FINANCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2017	292	1,069,398	153,056,262	154,125,952
Comprehensive loss for the year				
Loss for the year	-	-	(47,747,716)	(47,747,716)
Actuarial gain on pension scheme	-	-	230,000	230,000
Movement on deferred tax relating to actuarial gain	-	-	(45,560)	(45,560)
Other comprehensive income for the year	-	-	184,440	184,440
Total comprehensive loss for the year	-	-	(47,563,726)	(47,563,726)
At 31 August 2018	292	1,069,398	105,492,986	106,562,676

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2016	292	1,069,398	155,629,157	156,698,847
Comprehensive loss for the year				
Loss for the year	-	-	(4,242,635)	(4,242,635)
Actuarial gain on pension scheme	-	-	2,046,000	2,046,000
Movement on deferred tax relating to actuarial gain	-	-	(376,260)	(376,260)
Other comprehensive income for the year	-	-	1,669,740	1,669,740
Total comprehensive loss for the year	-	-	(2,572,895)	(2,572,895)
At 31 August 2017	292	1,069,398	153,056,262	154,125,952

The notes on pages 21 to 47 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2017	292	1,069,398	26,324,558	27,394,248
Comprehensive loss for the year				
Loss for the year	-	-	(89,866,496)	(89,866,496)
Total comprehensive loss for the year	-	-	(89,866,496)	(89,866,496)
At 31 August 2018	292	1,069,398	(63,541,938)	(62,472,248)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2016	292	1,069,398	90,390,614	91,460,304
Comprehensive loss for the year				
Loss for the year	-	-	(64,066,056)	(64,066,056)
Total comprehensive income for the year	-	-	(64,066,056)	(64,066,056)
At 31 August 2017	292	1,069,398	26,324,558	27,394,248

The notes on pages 21 to 47 form part of these financial statements.

LIFEWAYS FINANCE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	2018 £	2017 £
Cash flows from operating activities		
Operating loss for the financial year	**(40,081,551)**	(6,587,896)
Adjustments for:		
Amortisation of intangible assets	**18,245,631**	17,814,744
Depreciation of tangible assets	**5,781,452**	4,324,806
Impairment of goodwill	**30,918,549**	-
Movement in provisions	**(362,741)**	-
Taxation	**(175,090)**	(199,801)
Decrease in debtors	**13,994,019**	(30,408,175)
Decrease in creditors	**(34,436,483)**	15,928,518
Increase in net pension assets/liability	**133,000**	97,000
Net cash generated from operating activities	**(8,983,214)**	969,196
Cash flows from investing activities		
Acquisition of subsidiary	**(1,100,574)**	-
Net cash acquired with subsidiary undertaking	**588,840**	-
Purchase of tangible fixed assets	**(6,760,896)**	(6,976,148)
Sale of tangible fixed assets	**1,235,146**	24,393,819
Interest received	**10,500**	22,094
Interest paid	**-**	(49,749)
Net cash from investing activities	**(6,056,984)**	17,390,016
Cash flows from financing activities		
Repayment of finance leases	**(15,965)**	(25,989)
Net cash used in financing activities	**(15,965)**	(25,989)
Net (decrease)/increase in cash and cash equivalents	**(15,056,163)**	18,333,223
Cash and cash equivalents at beginning of year	24,775,522	6,442,299
Cash and cash equivalents at the end of year	**9,719,359**	24,775,522
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**9,719,359**	24,775,522
	9,719,359	24,775,522

The notes on pages 21 to 47 form part of these financial statements.

1. Accounting policies

1.1 General information

Lifeways Finance Limited ("the Company") and its subsidiaries (together "the Group") provide assisted living services throughout the United Kingdom.The Company is a private company limited by shares and is incorporated in England and Wales. The address of Company's registered office is 56 Southwark Bridge Road, London, United Kingdom, SE1 0AS and the Registered number: 06295365.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the amendments to FRS 102 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

Lifeways Finance Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

The financial statements are prepared in sterling which is the functional currency of the Group. In instances where rounding to the nearest million pound is utilised, this is denoted £m.

The following principal accounting policies have been applied:

1.3 Basis of consolidation

The consolidated financial statements present the results of the as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 September 2014.

1.4 Going concern

The directors manage cashflows, including debt facilities, on a Group-wide basis.

The Company's Statement of Financial Position includes net liabilities of £62,472,248 (2017 – net assets of £27,394,248).

On 12 September 2019, the Group, of which the Company is a member, completed a renegotiation of its banking and shareholder facilities. The key terms of the revised facilities are described in the post balance sheet events note below and include amendments to repayment dates, interest rates and financial covenants.

1. Accounting policies (continued)

1.4 Going concern (continued)

In undertaking their assessment of going concern, the directors have reviewed the detailed forecast of the anticipated financial performance and cashflows of the Group through to August 2022. This forecast includes the expected improvement in profitability and cash generation from both continued delivery of the Lifeways 2020 strategic plan and the revised banking and shareholder facilities.

The directors have reviewed these forecasts against the working capital requirements of the Group, the covenants contained in the revised banking facilities and the known risks and opportunities facing the Group. Specifically, the directors have considered key sensitivities around assumed working capital improvements, capacity fill rates and margin enhancements. They have also considered the appeal to the Supreme Court against the legal position on "sleep in payments" that was clarified by the Court of Appeal in July 2018, concluding that this does not, at this time, alter the financial outlook.

After making enquiries and considering the forecasts and sensitivities above, the directors have concluded that they have a reasonable expectation that the Company and Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the annual financial statements have been prepared on a going concern basis.

The directors have assessed the impact of a 'No-deal' Brexit and consider that this is unlikely to have any material impact on the Group. The Group conducts all of its trade in Sterling, within the United Kingdom and (as stated above), the Group completed the renewal of its banking and shareholder facilities.

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition.

Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the income statement over its useful economic life.

The directors have assessed and determined that goodwill should be charged on the basis of a 15 year life.

1. Accounting policies (continued)

1.7 *Impairment of assets*

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

Non-financial assets

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

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

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

1.8 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 property	2% straight line
Long term leasehold property	Straight line over the shorter of the remaining period of the lease or the useful life
Motor vehicles	20% straight line
Fixtures and fittings	20% straight line
Computer equipment	33.3% straight line
Leasehold improvements	Straight line over the shorter of the remaining period of the lease or the useful life

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 Income Statement. Where significant and material judgements are required in determining the value of fixed assets or apportioning the split of proceeds, directors co-operate with management to arrive at an appropriate outcome.

1.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1. Accounting policies (continued)

1.10 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities

(i) Financial assets and liabilities

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

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

1. Accounting policies (continued)

1.11 Financial instruments (continued)

Other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.12 Leased assets: the Group as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets.

Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the expected life of the lease.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 September 2014) to continue to be charged over the period to the first market rent review rather than the term of the lease.

1. Accounting policies (continued)

1.14 Current and deferred taxation

The tax expense for the Year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 and the Group operate and generate 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;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 reporting date.

1.15 Unusual and non-recurring items

Unusual and non-recurring items represent items of income or expenditure which individually, or in aggregate, are of exceptional size or incidence, and in the directors judgement should be presented separately because they are relevant to an understanding of the Group's financial performance. Disclosure of these items is provided in note 10.

1. **Accounting policies (continued)**

1.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group and Company pays fixed contributions into a pension scheme. Once the contributions have been paid the Group and Company has no further payments obligations.

The contributions are recognised as an expense in the Consolidated Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group and Company in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Consolidated Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group and Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:
a) the increase in net pension benefit liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

1.17 Interest income

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

1. Accounting policies (continued)

1.18 Provisions

Provisions are recognised when the Group or Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group or Company will be required to settle that obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Unusual or non-recurring items

As a non-UK GAAP measure, the directors apply significant judgement in deciding the presentation of adjusting items by virtue of the nature of the income and expense and whether items are non-recurring, particularly in relation to salary costs. See note 10.

Recoverability of trade debtors and accrued income

The assessment of whether trade debtors and accrued income are recoverable requires judgement. An allowance for impairment is made where in the view of directors, when there is evidence of a reduction of the recoverability of future cash flows. There is a degree of uncertainty around the estimates made in calculating the current year bad debt provision which covers both councils and specific individual accounts where the directors have assessed there to be a collection risk.

Key source of estimation uncertainty

Impairment of goodwill and investments

Impairment of goodwill represents a management judgement with a significant degree of estimation uncertainty. FRS 102 requires an entity to assess its assets for impairment indicators at the reporting date. The Group has assessed goodwill for impairment, in doing this management have performed a value-in-use calculation using a discounted forecasted cash flow model. The model includes a number of assumptions on forecasted performance, working capital, capital spend, growth rates and discount rates.

The assumptions chosen to assess impairment of goodwill have been based upon the Group's board approved forecasts and moderate long term growth and discount rates applicable for similar entities.

Following indications of impairment to the Group's goodwill, the directors performed an impairment review and have impaired Goodwill by £30.9m (see note 12) resulting in a Goodwill carrying value of £202.4m. The most sensitive assumptions within the Goodwill impairment review relate to long-term growth rate, discount rate and future EBITDA. A 1% reduction in either long-term growth or discount rate would result in an additional impairment charge or £48.2m or £53.6m respectively. Where future EBITDA is sensitised for a reasonably possible downside scenarios the impairment charge would be materially higher. A combination of these sensitivities would result in a greater impairment than individually.

3. Turnover

Turnover represents amounts receivable for services provided in the year of account. All turnover was derived from activities located in the United Kingdom. No segmental data is provided on the basis that the revenue streams are not significantly differentiated.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	5,781,452	4,324,806
Amortisation of intangible assets, including goodwill	18,245,7631	17,814,743
Other operating lease rentals	10,224,054	7,120,680
Unusual or non-recurring items (note 10)	15,322,558	11,938,571
Impairment of goodwill	30,918,549	-

5. Auditor's remuneration

The audit fee for the Company is included in the audit fee for the Group which totalled £465,843 (2017 - £421,400). The fee was borne by Lifeways Finance Limited, a wholly owned subsidiary of Listrac Holdings Limited. The fees stated above are inclusive of VAT which is non-recoverable to the Group.

Non audit services of £2,680,146 were provided by the Group's auditor and its associates. These services were for a separate advisory project team engaged to advise on its cash recovery and working capital processes.

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£	£
Wages and salaries	188,471,955	166,793,315
Social security costs	13,437,540	12,265,412
Other pension costs	2,624,178	2,170,846
	204,400,673	181,229,573

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

	2018	2017
	No.	No.
Direct care staff	9,222	9,042
Administration staff	802	797
	10,024	9,839

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	704,140	872,994
Contributions to defined contribution pensions schemes	25,000	24,036
Compensation for loss of office	-	187,636
	729,140	1,084,666

The highest paid director received remuneration of £309,302 (2017 - £273,904) with a pension contribution of £10,000 (2017 - £10,000). During the year benefits were accruing to three directors (2017 - three) in *respect of defined contribution pension schemes. See related party note 27 for details of transactions with* directors and former director.

8. Interest receivable

	2018 £	2017 £
Loan from group undertakings	15,623,942	-
Other interest receivable	10,500	22,094
	15,634,442	22,094

9. Interest payable and similar charges

	2018 £	2017 £
Loan from group undertakings	20,743,056	6,614,925
On finance leases and hire purchase contracts	-	1,943
Other interest payable	-	47,807
	20,743,056	6,664,675

Other finance costs

	2018 £	2017 £
Net interest on defined benefit liability (note 23)	-	39,000

10. Unusual and non-recurring items

The year ended 31 August 2018 has been another year of consolidation and process/system improvement for the Lifeways Group, with the significant transformation projects continuing throughout the year and subsequently.

Given the exceptional size and incidence of these items, individually or in aggregate, the directors believe that the cost of these activities should be presented separately in the income statement to enable users of the financial statements to understand the Group's financial performance.

In addition to these items, and consistent with their treatment in previous years, costs in relation to acquisitions and the start-up phase of new schemes have been presented separately as the directors believe this aids better understanding of the Group's financial performance.

	2018	2017
	£	£
Acquisition related costs	**424,435**	15,287
Restructure & transformation costs	**4,060,152**	5,800,084
Working capital project	**3,406,819**	-
Start-up costs	**3,616,630**	4,127,991
Property and other costs	**643,165**	338,669
Sleep-in costs	**2,615,367**	-
Other	**555,990**	1,656,540
	15,322,558	11,938,571

Acquisition related costs

Acquisition related costs represent legal and internal acquisition staff costs resulting from acquired service agreements and the integration of legacy acquisitions.

Restructure and transformation costs

These costs relate to a number of significant restructuring and transformation projects that continue to be ongoing across the Group relating to the integration of legacy acquisitions and the consolidation and simplification of IT systems and HR, finance and operational transformation initiatives. The transformation programme is expected to continue a further 12 – 24 months at which point these costs will cease to be incurred. Restructuring costs relate to redundancies and legal entity rationalisation.

Working capital project

Following inherent challenges in billing and cash recovery in the sector, the Group has, for the short-term, increased its resources involved in working capital processes and engaged third party consultants (Deloitte LLP) to advise on cash recovery and process improvements.

Start-up costs

New schemes require upfront investment costs in order to make sites fit for purpose. Such costs primarily relate to internal staff costs for the new build and CC&A teams and operating losses and void costs relating to start-up schemes. The start-up scheme costs are classified as unusual and non-recurring for a period up until the first service user enters the scheme and for six months thereafter.

10. Unusual and non-recurring items (continued)

Property costs

Property costs include costs associated with the closure and movement of offices and associated expenses incurred in relation to onerous leases. In facilitating organisational restructuring, the directors consider these costs unusual and non-recurring.

Sleep-in costs

This category covers unfunded incremental sleep-in costs. The Group, along with the rest of the care industry, began paying National Minimum Wage ("NMW") for sleep-ins effective from July 2017 in line with government guidance. Following the court of appeal's ruling in July 2018 that NMW did not cover time asleep, the Group's board made a decision in August 2018 to revert to paying a flat-rate for sleep-ins related to the level of payment from the relevant funder. The unfunded incremental cost of sleep-ins paid during the year has therefore been included within unusual and non-recurring items, as the directors consider the cost non-recurring and believe it should be excluded from adjusted EBITDA in order for the users of the financial statements to understand the underlying trading performance of the Group.

Other

Other costs include legal and professional fees related to audit and tax compliance.

11. Taxation

Provision has been made in these financial statements for UK tax at 19.58% (2017 - 19.58%) based on the income for the year less allowable expenses.

	2018 £	2017 £
UK corporation tax		
Adjustments in respect of previous periods	**117,484**	(114,474)
Total current tax	**117,484**	(114,474)
Deferred tax		
Origination and reversal of timing differences	**(364,123)**	(488,464)
Changes to tax rates	**13,361**	42,197
Adjustment in respect of previous periods	**(163,369)**	(501,600)
	(514,131)	(947,867)
Taxation on loss – credit	**(396,647)**	(1,062,341)

Factors affecting tax charge for the year

The tax assessed for the current year and prior financial year is different from the UK standard rate of corporation tax of 19% (2017 - 19%). The differences are explained below.

	2018 £	2017 £
Loss before tax	**(48,144,363)**	(5,304,976)
Loss multiplied by standard rate of corporation tax of 19.00 % (2017 - 19.58%)	**(9,147,429)**	(1,038,714)
Effects of:		
Expenses not deductible for tax purposes	**4,540,969**	3,895,830
Impairment of Goodwill (note 12)	**5,874,524**	-
Group relief not paid for	**(1,468,617)**	(2,685,439)
Deferred tax - prior year adjustment	**41,481**	(501,600)
Movement in unrecognised deferred tax	**14,182**	-
Effect of differences in tax rate	**13,361**	42,197
Adjustment in respect of prior years	**(87,366)**	(114,474)
Income not taxable	**(127,229)**	(660,113)
Utilisation of tax losses not previously recognised	**(50,520)**	-
Total tax for the year – credit	**(396,644)**	(1,062,313)

Factors that may affect future tax charges

The Group's loss for this accounting period are taxed at an effective rate of 19.00%. The standard rate of corporation tax in the UK reduces from 19.00% to 17.00% for year ends beginning 1 April 2020; accordingly this rate has been applied in determining the deferred tax assets and liabilities as at 31 August 2018.

12. *Intangible assets*

Group

	Goodwill £
Cost	
At 1 September 2017	272,957,536
On acquisition of subsidiaries	4,308,610
At 31 August 2018	277,266,146
Amortisation	
At 1 September 2017	69,679,216
Charge for the year	18,245,631
Impairment loss	30,918,549
At 31 August 2018	118,843,396
Net book value	
At 31 August 2018	158,422,750
At 31 August 2017	203,278,320

Goodwill is being amortised evenly over 15 years.

During the year, the Group acquired SIL.2 Limited, a company whose primary activity is mental health care, giving rise to goodwill of £4,308,610. Further details are contained in note 13.

13. Acquisition of subsidiary undertaking

On the 22nd February 2018 the Group acquired 100% of the issued share capital of SIL.2 Limited, a company whose primary activity is mental health care, for consideration comprising the issue of £3,301,721 of loan notes of Listrac Finance Limited at a rate of 8% per annum and cash consideration of £1,100,574. The fair value of the total consideration was £4,402,295.

The acquisition has been accounted for under the acquisition method. The following table sets out the book and fair values of the identifiable assets and liabilities acquired:

	£
Fixed assets	
Tangible	2,621
Current assets	
Debtors	128,162
Cash	558,840
Total assets	689,623
Creditors	
Accruals	595,938
Total liabilities	595,938
Net assets	93,685
Goodwill	4,308,610
	4,402,295
Satisfied by	
Loan notes issued	3,301,721
Cash	1,100,574
	4,402,295

The goodwill arising from the acquisition is £ 4,308,610. No intangible assets were identified on acquisition.

In the year ended 31 August 2018, turnover of £718,567 and profit of £402,315 was included in the consolidated profit and loss account in respect of SIL.2 Limited since the acquisition date.

14. Tangible fixed assets

Group

	Freehold property £	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Leasehold improvements £	Total £
Cost						
At 1 September 2017	12,680,402	3,656,420	5,449,493	11,422,722	1,943,810	35,152,847
Additions	360	981,669	2,397,450	3,417,304	7,173	6,803,956
Reclassification	(259,214)	-	259,214	-	-	-
Realignment*	1,097,260	350,949	3,926,253	2,745,010	272,854	8,392,326
Disposals	(1,214,376)	(2,467)	(104,895)	-	(176,640)	(1,498,378)
At 31 August 2018	12,304,432	4,986,571	11,927,515	17,585,036	2,047,197	48,850,751
Depreciation						
At 1 September 2017	66,442	925,391	1,555,699	5,008,328	568,955	8,124,815
Charge for the year	209,215	409,229	1,277,036	3,631,219	254,753	5,781,452
Reclassification	(5,223)	-	5,223	-	-	-
Realignment*	1,013,050	419,448	4,482,763	2,222,617	254,448	8,392,326
Disposals	(85,649)	(1,663)	(64,121)	-	(172,499)	(323,932)
At 31 August 2018	1,197,835	1,752,405	7,256,600	10,862,164	905,657	21,974,661
Net book value						
At 31 August 2018	11,106,597	3,234,166	4,670,915	6,722,872	1,141,540	26,876,090
At 31 August 2017	12,613,960	2,731,029	3,893,794	6,414,394	1,374,855	27,028,032

*Realignment of brought forward cost and accumulated depreciation due to system migration of Living Ambitions Limited. The effect on net book value is nil.

15. Tangible fixed asset

Company

	Computer equipment £
Cost	
At 1 September 2017	10,331,165
Additions	3,292,114
At 31 August 2018	13,623,279
Depreciation	
At 1 September 2017	4,704,310
Charge for the year	2,825,765
At 31 August 2018	7,530,075
Net book value	
At 31 August 2018	6,093,204
At 31 August 2017	5,626,855

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 September 2017	285,050,358
Additions	4,470,783
At 31 August 2018	289,521,141
Provisions for impairment	
At 1 September 2017	64,189,695
Written off	74,912,164
At 31 August 2018	139,101,859
Carrying value - Company	
At 31 August 2018	150,419,282
At 31 August 2017	220,860,663

16. Fixed asset investments (continued)

Subsidiary undertaking
The following were subsidiary undertakings of the Company:

Name	Principal activity	Holding
Lifeways Community Care Limited (1)	Supported living services	100% ordinary share capital
Lifeways Support Services Limited (3) ^ (dissolved 8 May 2019)	Dormant	100% of members, limited by guarantee
Vitavia Properties (Somerset) Limited (1)	Property management	100% ordinary share capital
Vitavia Property Management Limited (1)	Property management	100% ordinary share capital
Lifeways Independent Living Alliance Limited (1)	Supported living services	100% ordinary share capital
Lifeways Natural Networks Limited (1)	Residential care	100% ordinary share capital
Oaklands Community Care Limited (3) ^ (dissolved 8 May 2019)	Dormant	100% ordinary share capital
M Power Housing Limited (1)	Property management	100% of members, limited by guarantee
Inclusion By Design Limited (2)	Non-trading	100% ordinary share capital
Lifeways Inclusive Lifestyles Limited (1)	Residential care	100% ordinary share capital
Lifeways Support Options Limited (1)	Supported living services	100% ordinary share capital
The SLC Group Limited (3) ^ (dissolved 8 May 2019)	Dormant	100% A ordinary share capital 100% B ordinary share capital 100% C ordinary share capital 100% D ordinary share capital 100% E ordinary share capital 100% F ordinary share capital 00% G ordinary deferred shares capital
Lifeways Paragon Limited (1)	Supported living services	100% ordinary share capital
Lifeways Raglin Limited (1)	Supported living services	100% ordinary share capital
Lifeways ISS Limited (1)	Supported living services	100% ordinary share capital
Lifeways S S P Care Services Limited (3) ^ (dissolved 8 May 2019)	Dormant	100% ordinary share capital
Lifeways Signposts Limited (3) ^ (dissolved 8 May 2019)	Dormant	100% ordinary share capital
Future Home Care Limited (1)	Supported living services	100% ordinary share capital
Lifeways Community Care (Inverness) Limited (1) *	Supported living services	100% ordinary share capital
Haven Care and support Limited (1)	Supported living services	100% ordinary share capital
Lifeways Orchard Care Limited (1)	Residential care	100% ordinary share capital
Lifeways Rose Care and Support Limited (1)	Residential care	100% ordinary share capital

16. Fixed asset investments (continued)

Name	Principal activity	Holding
Integra Care Management Limited (1)	Supported living services	100% ordinary share capital
Integra Care Homes Limited (1)	Supported living services	100% ordinary share capital
Community Care Solutions Limited (1)	Supported living services	100% ordinary share capital
Total Home Care Solutions Limited (1)	Supported living services	100% ordinary share capital
Social Care Solutions Limited (1)	Supported living services	100% ordinary share capital
Lifeways SIL Limited (1)	Supported living services	100% ordinary share capital
Autism Care (North West) Limited (1)	Residential care	100% ordinary share capital
Autism Care (UK) Limited (1)	Residential care	100% ordinary share capital
Autism Care (Bedford) Limited (2)	Residential care	100% ordinary share capital
Autism Care UK (2) Limited (2)	Residential care	100% ordinary share capital
Autism Care Properties (2) Limited (1)	Property management	100% ordinary share capital
Autism Care (Properties) Limited (2)	Property management	100% ordinary share capital
Autism Care UK (3) Limited (2)	Residential care	100% ordinary share capital
Autism Care UK (4) Limited (2)	Residential care	100% ordinary share capital
Burgess Care Limited (1)	Residential care	100% ordinary share capital
Clearoutcome Limited (2)	Non-trading	100% ordinary share capital
Living Ambitions Limited (1)	Supported living services	100% ordinary share capital
Homebridge Two Limited (1)	Property management	100% ordinary share capital
Brighton and Sussex Care Limited (1)	Supported living services	100% ordinary A share capital 100% ordinary B share capital 100% ordinary C share capital
Keys Hill Park Limited (1)	Residential care	100% ordinary share capital
SIL.2 Limited (1)	Supported living services	100% ordinary share capital

The registered office of all fixed asset investments listed above is: 56 Southwark Bridge Road, London, SE1 0AS except for the companies which have annotation ^ is 1 More London Place, London, United Kingdom, SE1 1AF and the investment with annotation * is 1nd Floor, Suite 1a1, Metropolitan House, High Street, Inverness, IV1 1HT.

The Company holds all of the shares of each of the above companies with 100% voting, capital and distribution rights.

1. Directly owned by Lifeways Finance Limited
2. Indirectly owned by Lifeways Finance Limited
3. Liquidation effected post year end

17. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	27,897,155	23,707,954	-	-
Amounts owed by group undertakings	2,695,244	1,096,165	21,558,790	19,978,717
Other debtors	2,533,017	3,334,310	4,414	9,784
Prepayments and accrued income	22,631,451	25,858,566	-	748,871
Deferred taxation (note 20)	476,525	7,958	419,104	249,028
	56,233,392	54,004,953	21,982,308	20,986,400

Amount payable by group undertakings are repayable on demand inclusive of interest accrued.

18. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	9,719,359	24,775,522	3,684	9,900,000

19. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	3,540,345	5,490,203	82,022	404,206
Amounts owed to group undertakings	106,399,855	112,050,396	240,561,441	228,237,916
Corporation tax	55,633	9,397	-	-
Taxation and social security	6,196,928	5,219,704	-	-
Obligations under finance lease and hire purchase contracts	-	14,551	-	-
Other creditors	12,675,066	17,874,328	327,263	1,337,548
Accruals and deferred income	13,509,123	11,530,590	-	-
	142,376,950	152,189,169	240,970,726	229,979,670

Amount payable to group undertakings are repayable on demand inclusive of interest accrued.

20. Deferred taxation

Group

	2018	2017
	£	£
At beginning of year	**7,958**	(563,679)
Charged to the income statement	**572.441**	947,863
Other	**(4)**	34
Charged to other comprehensive income	**(103,870)**	(376,260)
At end of year	**476,525**	7,958

The deferred taxation balance is made up as follows:

	Group 2018	Group 2017
	£	£
Decelerated capital allowances	**955,929**	1,373,626
Tax losses	***471,940***	*496,448*
Other short term timing differences	**39,962**	89,118
Deferred tax on pension deficit / surplus	**9,972**	-
Non-qualifying fixed assets - business combinations	**(1,001,278)**	(1,951,234)
	476,525	7,958

21. Provisions

Group

	Dilapidations provisions
	£
At 1 September 2017	**2,615,706**
Amounts used	**(347,398)**
Released	**(15,343)**
At 31 August 2018	**2,252,965**

Dilapidations Provision

The dilapidations represent the directors' estimates of the present value of amounts potentially due in respect of dilapidations to leased properties occupied by the Group. The provision is expected to be utilised in line with the expiration of the operating leases over the lease term. The lease terms vary between one and thirty-three years. The impact of discounting is considered to be immaterial.

22. Share capital

Group and Company

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
29,200 – ordinary shares of £0.01 each	292	292

23. Pension commitments

Defined Contribution Scheme

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charge to Income Statement in the year ended 31 August 2018 was £2,032,179 (2017 - £2,170,846).

Defined Benefit Scheme

The Group operates two defined benefit pension schemes for qualifying employees of its subsidiaries in Lifeways Community Care Limited and Future Homecare Limited. Under the schemes, the employees are entitled to retirement benefits varying between 1/80th and 1/60th per cent of final salary on attainment of retirement age. No other post-retirement benefits are provided. The schemes are funded schemes.

The most recent actuarial valuation was in June 2015 for the Lifeways Community Care Limited defined benefit obligation and in December 2015 for the Future Home Care Limited defined benefit obligation. Deficit recovery contributions are payable on the Future Home Care Limited pension scheme until 2020.

	Valuation at	
Key assumptions used:	**2018**	2017
Discount rate	**2.7%**	2.5%
Future salary increases	**0.5% - 2.8%**	0.5%
Inflation assumption	**3.1% - 3.3%**	3.3%

Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2018	2017
Retiring today:	**(years)**	(years)
Males	**22 - 22.1**	22
Females	23.2 - 24	23.2
Retiring in 20 years:		
Males	**23.8 - 23.9**	23.9
Females	**25.7 – 25.8**	25.7

23. Pension commitments (continued)

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	2018	2017
	£	£
Current service cost	**549,000**	693,000
Net interest cost (note 9)	**-**	39,000
Plan introductions, changes, administrative expenses and settlements	**43,000**	(42,742)
	592,000	689,258
Recognised in other comprehensive income		
Return on scheme assets	**92,000**	(462,000)
Actuarial losses	**(322,000)**	(1,584,000)
Total cost relating to defined benefit scheme	**362,000**	(1,356,742)

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes is as follows:

	2018	2017
	£	£
Present value of defined benefit obligations	**(10,454,000)**	(10,115,000)
Fair value of scheme assets	**10,395,000**	9,959,000
Net liability recognised in the balance sheet	**(59,000)**	(156,000)

Movements in the present value of defined benefit obligations were as follows:

	2018	2017
	£	£
At 1 September	**(10,115,000)**	(11,058,000)
Service cost	**(549,000)**	(637,000)
Interest	**(252,000)**	(231,000)
Actuarial gains and losses	**322,000**	1,584,000
Contributions from scheme participants	**(10,000)**	(15,000)
Benefits paid	**150,000**	242,000
At 31 August	**(10,454,000)**	(10,115,000)

LIFEWAYS FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

23. Pension commitments (continued)

Movements in the fair value of scheme assets were as follows:

	2018	2017
	£	£
At 1 September	**9,959,000**	8,953,000
Interest income	**252,000**	192,000
Return on plan assets	**(92,000)**	462,000
Contributions from the employer	**459,000**	571,000
Monies received from insurer	**-**	64,000
Contributions from scheme participants	**10,000**	15,000
Benefits paid	**(150,000)**	(242,000)
Administrative expenses	**(43,000)**	(56,000)
At 31 August	**10,395,000**	9,959,000

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2018	2017
	£	£
Equity instruments	**4,262,000**	3,706,000
Debt instruments	**5,850,000**	5,956,000
Property	**198,000**	227,000
Cash	**85,000**	70,000
	10,395,000	9,959,000

None of the fair values of assets shown above include any direct investments in the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

24. Charges

The Group's assets are subject to fixed and floating charges over the Listrac Holdings Group's lending with HSBC Corporate Trustee Company (UK) Limited. The value of loans is £170.0m (2017 - £179.8m).

25. Commitments under operating leases

At 31 August 2018 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018	Company 2018	Group 2017	Company 2017
	£	£	£	£
Not later than 1 year	7,675,270	-	6,821,254	40,263
Later than 1 year and not later than 5 years	**28,576,708**	-	25,219,005	157,058
Later than 5 years	**100,514,813**	-	93,227,808	585,015

26. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

27. Audit exemptions taken for subsidiaries

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act.

Name	Companies House registration number
Autism Care (Bedford) Limited	08809155
Autism Care (North West) Limited	04298661
Autism Care (Properties) Limited	02785715
Autism Care (UK) Limited	03997337
Autism Care Properties (2) Limited	06511089
Autism Care UK (2) Limited	07266463
Autism Care UK (3) Limited	07762575
Autism Care UK (4) Limited	07884044
Burgess Care Limited	03156981
Clearoutcome Limited	05545752
Community Care Solutions Limited	04122627
Future Home Care Limited	04829670
Homebridge Two Limited	02772562
Inclusion by Design Limited	04796540
Lifeways Community Care Limited	04126127
Lifeways Inclusive Lifestyles Limited	04796545
Lifeways Independent Living Alliance Limited	04036447
Lifeways Paragon Limited	04301284
Lifeways Raglin Limited	02740383
Living Ambitions Limited	02622175
Social Care Solutions Limited	06404664
Total Home Care Solutions Limited	03847392
SIL.2 Limited	08992322

28. Related party transactions

The Group is taking advantage of the exemption contained in FRS 102 not to disclose transactions with other group companies.

29. Post balance sheet events

On 30 November 2018, OPE Lifeways Investment Limited ("OPE Lifeways"), an indirect owner of the majority economic interests of the Larger Group, made a further injection of capital to support working capital and covenant compliance.

On 12 September 2019, the group, of which the Company is a member, completed a renegotiation of the Group's banking and shareholder facilities. The key terms of the Larger Group's bank loans (as disclosed in note 18 of the consolidated financial statements of Listrac Holdings Limited and note 15 in the financial statement of Listrac Bidco Limited) have been amended as follows:

• Facility A (£16.0m) expires in August 2022, with repayments due in instalments from June 2021. Interest payable ranges from LIBOR plus 675 bps to LIBOR plus 500 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 500 bps);
• Facility B (£132.9m) expires in November 2022, with a single bullet payment due at that date. Interest payable ranges from LIBOR plus 700 bps to LIBOR plus 525 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 525 bps);
• The Revolving Credit Facility (£10.0m) expires in November 2022. Interest payable ranges from LIBOR plus 700 bps to LIBOR plus 525 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 525 bps);
• The Acquisition Facility (£7.7m) expires in November 2022. Interest payable ranges from LIBOR plus 700 bps to LIBOR plus 525 bps (with cash interest ranging from LIBOR plus 100 bps to LIBOR plus 525 bps);
• Financial covenants have been amended, with a leverage and cashflow covenant applying from August 2020 and February 2021 respectively. A minimum liquidity covenant applies from the date of new facilities.

In addition, the Group's majority shareholder, through OPE Lifeways, has provided additional committed facilities of £12m, at interest rates (non-cash) of 1,200 bps.

At the time of signing of these financial statements, the United Kingdom is intending to leave the European Union on the 31 October 2019 under a 'No-deal' Brexit. The directors have assessed the impact of a 'No-deal' Brexit and consider that it is unlikely to have any material impact on the Group.

30. Controlling party

The Company's immediate parent company is Listrac Bidco Limited, a company registered in England and Wales.

The smallest group within which the result of the Company are consolidated is Lifeways Finance Limited and the largest group with which the results of the Company are consolidated is Listrac Holdings Limited, a limited company registered in Jersey, Channel Islands. Listrac Holdings Limited is also the ultimate parent company. The consolidated financial statements of Listrac Holdings Limited are available to the public and can be obtained from their registered address at 44 The Esplanade, St Helier, Jersey, JE4 9WG. The consolidated financial statements of Lifeways Finance Limited is available to the public and can be obtained from their registered address at 56 Southwark Bridge Road, London, United Kingdom, SE1 0AS.

The Company is a portfolio company of OMERS Administration Corporation ("OMERS") as administrator of the OMERS pension plans and trustee of the pension funds.