

Signature Lessee Limited

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 08326796



Signature Lessee Limited

Company Information

Directors	T B Newell A G Roche T J Ball F Cerrone J Hardy T G Wellner
Registered number	08326796
Registered office	Grosvenor House Horseshoe Crescent Beaconsfield Buckinghamshire HP9 1LJ
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Signature Lessee Limited

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 20

Signature Lessee Limited

Strategic Report For the Year Ended 31 December 2018

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2018.

Business review

The principal activity of the company is to be master lessee under a lease framework agreement. The company currently has leasehold obligations from the operation of three Care Homes (six leased homes 2017), having disposed of three during the year.

Principal risks and uncertainties

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

Failure to meet leasehold obligations

As mentioned in the business review, the company currently has leasehold obligations from the operation of three Care Homes. The lease obligations are based on mature Care Home assets. During this year the assets will not be fully mature. This shortfall was largely anticipated on commencement of the leases and relevant provisions have been established to cover the budgeted exposure.

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. Of the 3 leased operations within this portfolio, one is mature and two are in their lease-up phase. The mature home averaged above 95% occupancy in the year (95% 2017). The remaining two operations continue to lease-up.

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 resident's needs are always met. Internal governance procedures are in place to monitor all homes operated by Signature on a regular basis. At 31 December 2018, no homes within this portfolio were considered to be inadequate by the CQC.

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

Signature Lessee Limited

Strategic Report (continued) For the Year Ended 31 December 2018

Financial key performance indicators

The table below sets out the Key Performance Indicators of the operating lease business of the Signature Group of which the company is the holding company.

	2018	2018	2017	2017
		£		£
	Mature homes	Lease up homes	Mature homes	Lease up homes
Turnover	£6.6m	£5.5m	£6.7m	£1.5m
Operating margin	48%	-3%	46%	-88%
Average occupancy	95%	44%	100%	30%
Rent cover	1	-0.2	1	-26.6

2017 has been restated on a like for like basis due to the sale of 3 of the operating companies in the current year.

This report was approved by the board on 29.03.2019 and signed on its behalf.



T J Ball
Director

Signature Lessee Limited

Directors' Report For the Year Ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company is to be a master lessee under a framework agreement.

Results and dividends

The profit for the year, after taxation, amounted to £2,267,028 (2017: loss £7,602).

The directors do not recommend the payment of a final dividend (2017: £Nil).

Directors

The directors who served during the year were:

T B Newell
A G Roche
T J Ball
F Cerrone (appointed 22 June 2018)
J Hardy (appointed 22 June 2018)
T G Wellner (appointed 22 June 2018)

Future developments

The Signature Group is currently progressing a number of development opportunities. At the year-end date, five 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. One of the five 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.

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.

Signature Lessee Limited

Directors' Report (continued) For the Year Ended 31 December 2018

Subsequent events

There have been no significant events affecting the company since the year end.

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 29.03.2019 and signed on its behalf.

TJ Ball

T J Ball
Director

Signature Lessee Limited

Directors' Responsibilities Statement For the Year Ended 31 December 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). 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;
- 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 Lessee Limited

Independent Auditor's Report to the Members of Signature Lessee Limited

Opinion

We have audited the financial statements of Signature Lessee Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Signature Lessee Limited

Independent Auditor's Report to the Members of Signature Lessee Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of 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 and 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.

Signature Lessee Limited

Independent Auditor's Report to the Members of Signature Lessee Limited (continued)

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.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Nick Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Guildford
United Kingdom

Date: 29/3/2019

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

Signature Lessee Limited

Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		(114)	(209)
Exceptional income	6	2,350,647	-
Other operating income	4	5,850	-
Operating profit/(loss)		2,356,383	(209)
Interest receivable and similar income	9	29,169	416,306
Interest payable and similar charges	10	(118,524)	(423,699)
Profit/(loss) before tax		2,267,028	(7,602)
Tax on profit/(loss)	8	-	-
Profit/(loss) for the financial year		2,267,028	(7,602)

There was no other comprehensive income for 2018 (2017:£Nil).

The notes on pages 12 to 20 form part of these financial statements.

Signature Lessee Limited

Registered number: 08326796

Statement of Financial Position As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	11	1,500,006	1,500,014
		<u>1,500,006</u>	<u>1,500,014</u>
Current assets			
Debtors	12	3,374,091	11,288,719
Cash at bank and in hand	13	16,948	93
		<u>3,391,039</u>	<u>11,288,812</u>
Creditors: amounts falling due within one year	14	-	(1,558,113)
Net current assets		<u>3,391,039</u>	<u>9,730,699</u>
Total assets less current liabilities		<u>4,891,045</u>	<u>11,230,713</u>
Creditors: amounts falling due after more than one year	15	(1,297,626)	(9,904,322)
Net assets		<u><u>3,593,419</u></u>	<u><u>1,326,391</u></u>
Capital and reserves			
Called up share capital	16	2	2
Profit and loss account	17	3,593,417	1,326,389
		<u><u>3,593,419</u></u>	<u><u>1,326,391</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29.03.2019

T J Ball

T J Ball
Director

The notes on pages 12 to 20 form part of these financial statements.

Signature Lessee Limited

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	2	1,326,389	1,326,391
Comprehensive income for the year			
Profit for the year	-	2,267,028	2,267,028
Total comprehensive income for the year	-	2,267,028	2,267,028
At 31 December 2018	2	3,593,417	3,593,419

Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	2	1,333,991	1,333,993
Comprehensive income for the year			
Loss for the year	-	(7,602)	(7,602)
Total comprehensive income for the year	-	(7,602)	(7,602)
At 31 December 2017	2	1,326,389	1,326,391

The notes on pages 12 to 20 form part of these financial statements.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. General information

Signature Lessee Limited 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 is given on the Company Information page. The nature of the company's operations and its principal activities 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 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SSL Group (UK) Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivables and payables, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically payables or receivables, 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 case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

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.

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.

2.8 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 Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.9 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.

2.10 Interest income

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

2.11 Taxation

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 reporting 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.

2.12 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.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

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

In preparing these financial statements, the directors have made the following judgements:

- Investments (see note 11)
Determine whether there are indicators of impairment of the company's fixed asset investments. Factors taken in consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

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

4. Other operating income

	2018 £	2017 £
Other operating income - insurance refunds	5,850	-

5. Auditor's remuneration

The audit fee for the company of £14,000 (2017: £2,500) has been borne by Signature Senior Lifestyle Limited, a company which meets all the group overheads.

6. Exceptional items

	2018 £	2017 £
Waiver of intercompany creditor	(8,833,197)	-
Costs associated with disposal	(530,890)	-
Waiver of intercompany debtor	5,951,660	-
	<u>2,350,647</u>	<u>-</u>

During the year, Lessee disposed of four subsidiaries: Signature of Leicester (Operations) Limited, Signature at the Miramar (Operations) Limited, Signature at Loxley Park (Operations) Limited, and Signature at Loxley Park (Homecare) Limited. As a result of this disposal, existing combined intercompany debt of £8,833,197 was formally waived. Legal and other fees associated with the disposal amounted to £530,890.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

7. Employees

The company has no employees other than the six directors (2017: three).

The company's directors are remunerated by a fellow group company Signature Senior Lifestyle Limited and no recharge is made given the size of the group and the practicality of making such a charge. The directors have assessed that, having regard to the level of time spent and the nature of the company's affairs, a fair apportionment of the directors' annual remuneration that would be attributable to this company is approximately £20,000 (2017: £24,000).

8. Taxation

	2018 £	2017 £
Current tax on profits for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	2,267,028	(7,602)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	430,735	(1,463)
Effects of:		
Expenses not deductible for tax purposes	(446,623)	-
Adjust closing deferred tax to average rate of 19.25%	-	6
Adjust opening deferred tax to average rate of 19%	(5)	(6)
Group relief surrendered	15,935	1,463
Deferred tax not recognised	(42)	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has tax losses of approximately £Nil (2017: £250) to carry forward against profits of future periods. Deferred taxation of £Nil (2017: £42) in relation to the losses has not been recognised on the grounds that there is not sufficient evidence that the asset will be recoverable.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

9. Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group companies	<u>29,169</u>	<u>416,306</u>

10. Interest payable and similar charges

	2018 £	2017 £
Loans from group undertakings	<u>118,524</u>	<u>423,699</u>

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	1,650,014
Disposals	(8)
At 31 December 2018	<u>1,650,006</u>
Impairment	
At 1 January 2018	150,000
Charge for the period	-
At 31 December 2018	<u>150,000</u>
Net book value	
At 31 December 2018	<u>1,500,006</u>
At 31 December 2017	<u>1,500,014</u>

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Signature of Marlow (Operations) Limited	Ordinary	100 %	Registered care and nursing home operator
Signature of Camberley (Operations) Limited	Ordinary	100 %	Registered care and nursing home operator
Signature of Sunninghill (Operations) Limited	Ordinary	100 %	Registered care and nursing home operator

The registered office of the above subsidiary undertakings is Grosvenor House, 7 Horseshoe Crescent, Beaconsfield, Buckinghamshire, HP9 1LJ.

During the year, the company sold its interest in the following companies:

Signature of Leicester (Operations) Limited
Signature at Loxley Park (Operations) Limited
Signature at Loxley Park (Homecare) Limited
Signature at the Miramar (Operations) Limited

12. Debtors

	2018 £	2017 £
Due after more than one year		
Amounts owed by group undertakings	-	9,788,719
Due within one year		
Amounts owed by group undertakings	3,374,091	1,500,000
	<u>3,374,091</u>	<u>11,288,719</u>

Amounts owed by group undertakings are unsecured, bear interest at 4% plus Bank of England base rate and are not repayable until 1 January 2025.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

13. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>16,948</u>	<u>93</u>

Cash at bank is represented by the amount of £16,948 (2017: £93) which is subject to a charge in favour of a third party. The third party has unilateral rights to make payments from this amount if any of the company's subsidiaries are in default of their obligations under property lease agreements entered into by them and the third party.

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>-</u>	<u>1,558,113</u>

15. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>1,297,626</u>	<u>9,904,322</u>

Amounts owed to and from group undertakings are unsecured, bear interest at 4% plus Bank of England base rate and are not repayable until after 1 January 2025.

16. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

17. Reserves

The company's capital and 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.

Signature Lessee Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

18. Other financial commitments

The company has entered into a cross-guarantee with fellow subsidiaries whereby all companies within the group have guaranteed to cover liabilities due under property lease commitments in three of the group companies.

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 undertaking of the group.

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, The ultimate parent company is Revera Inc., a company incorporated in Canada.

The intermediate parent company which is the largest and smallest group for which consolidated accounts are produced is SSL Group (UK) Limited, a company registered in England and Wales. 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.