

## **Signature of Reigate (Operations) Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2019

Company Number 09159992

TUESDAY



\*A9IIYGFV\*

A08

24/11/2020

#24

COMPANIES HOUSE

## Signature of Reigate (Operations) Limited

### Company Information

---

<b>Directors</b>	A G Roche T J Ball L K Cox
<b>Registered number</b>	09159992
<b>Registered office</b>	Grosvenor House Horseshoe Crescent Beaconsfield Buckinghamshire HP9 1LJ
<b>Independent auditor</b>	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

## **Signature of Reigate (Operations) Limited**

### **Contents**

---

	<b>Page</b>
<b>Directors' Report</b>	<b>1 - 3</b>
<b>Directors' Responsibilities Statement</b>	<b>4</b>
<b>Independent Auditor's Report</b>	<b>5 - 7</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 - 22</b>

# **Signature of Reigate (Operations) Limited**

## **Directors' Report For the Year Ended 31 December 2019**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

### **Principal activity**

The principal activity of the company is the provision of senior living accommodation and ancillary services.

### **Directors**

The directors who served during the year were:

A G Roche  
T J Ball  
L K Cox (appointed 22 September 2019)  
F Cerrone (resigned 22 September 2019)  
J Hardy (resigned 22 September 2019)  
T B Newell (resigned 22 September 2019)  
T G Wellner (resigned 22 September 2019)

## Signature of Reigate (Operations) Limited

### Directors' Report (continued) For the Year Ended 31 December 2019

---

#### Going concern

At the reporting date, the company had net current liabilities of £3,628,464 (2018: £2,314,217) and made a loss for the year of £2,112,585 (2018: £2,467,646). The company is reliant on the continued support of its parent entity, SSL Partners III LP, to be able to continue to operate as a going concern. A letter of support has been obtained pledging this support for the foreseeable future, being at least one year from the date of the approval of these financial statements.

Although there can be no absolute certainty that this support will be available throughout the period, the directors have no reason to believe that the support will be withdrawn. As a consequence, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The directors also consider it necessary to acknowledge the uncertainty created by the current global situation with COVID-19. The directors have considered the potential risks that could impact on the company, which operates in the UK carehome market, below.

#### Operation of Care Homes:

The risk exists that resident demand could be negatively impacted in the medium to longer term by the global COVID-19 pandemic. The negative impact is divided into two main factors being:

- A short term increase in the demand for services, due to deteriorating health whilst residents are in the home; and
- A significant fall in demand for our services in the medium to longer term, due to a downturn in demand following an increased death rate amongst the target market.

From a business perspective, the directors are confident they will be able to navigate these challenges. In the short term the company has historically been able to flex staff to meet demand. In the longer-term, demographics indicate a significant under supply of care and nursing services in the UK market, with the undersupply being greater than the anticipated increase in death rate from COVID-19.

A separate risk exists in relation to the supply of staff. This is of some concern to the directors, with mitigants in place to address this risk somewhat untested. The company is more protected than others in the sector, with staff to resident ratios in Signature homes typically more than double those of other operators. A reduction in labour supply of up to one third could therefore be accommodated and residents would still receive a good quality of care, albeit less than current high standards. The somewhat untested mitigant is a large scale recruitment exercise from other sectors, whom in the event of a pandemic are expected to release labour supply into the market. At the time of signing these accounts, this process is being tested with initial signs showing this can be achieved.

Based on the above risk assessment, the directors are of the opinion that COVID-19 does pose some risk to the company, however these risks are being well managed. In any case, the directors note that the ultimate parent entity SSL Partners III LP has significant reserves and has a commercial incentive to continue supporting the group, therefore, even in the worst case scenario, the directors are confident that for the foreseeable future, being twelve months from the approval of these financial statements, the group and parent company would be able to meet its liabilities as they fall due. For this reason the directors believe that it remains appropriate to prepare the accounts on the going concern basis, but must acknowledge that the situation is evolving rapidly and it is not possible at this stage to determine with any certainty the full impact on the company, its customers and suppliers. As such, there is a risk that the ultimate parent entity may not be able to provide financial support if the impact of COVID-19 on the wider group is more severe than expected. On this basis there is considered to be a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments that would arise if the company were unable to continue as a going concern.

## Signature of Reigate (Operations) Limited

### Directors' Report (continued) For the Year Ended 31 December 2019

---

#### 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.

#### Post balance sheet events

Subsequent to the year end a pandemic was declared regarding COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the full impact on the company, its customers and suppliers. The directors have forecast different scenarios and believe that operational risks are mitigated by the current procedures in place and ongoing future risk planning although the situation is extremely uncertain and is evolving rapidly. Although this is considered unlikely at this stage, there is a risk the company could require further funding. On this basis there is considered to be a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

#### Auditor

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 September 2020

and signed on its behalf.



**T J Ball**  
Director

## **Signature of Reigate (Operations) Limited**

### **Directors' Responsibilities Statement For the Year Ended 31 December 2019**

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 to 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 of Reigate (Operations) Limited**

### **Independent Auditor's Report to the Members of Signature of Reigate (Operations) Limited**

---

#### **Opinion**

We have audited the financial statements of Signature of Reigate (Operations) Limited ("the company") for the year ended 31 December 2019 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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Material uncertainty related to going concern**

We draw attention to note 2.2 to the financial statements, which states that the directors continue to assess the impact of COVID-19 which could lead to the risk that further funding is required within the next twelve months. On this basis there is considered to be a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## **Signature of Reigate (Operations) Limited**

### **Independent Auditor's Report to the Members of Signature of Reigate (Operations) Limited (continued)**

---

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a Strategic Report.

## Signature of Reigate (Operations) Limited

### Independent Auditor's Report to the Members of Signature of Reigate (Operations) 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: 30 September 2020

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

## Signature of Reigate (Operations) Limited

### Statement of Comprehensive Income For the Year Ended 31 December 2019

		2019 £	2018 £
Turnover	4	4,374,350	937,343
Cost of sales		(3,173,156)	(1,597,673)
<b>Gross profit/(loss)</b>		<b>1,201,194</b>	<b>(660,330)</b>
Administrative expenses		(3,194,456)	(1,760,518)
<b>Operating loss</b>	5	<b>(1,993,262)</b>	<b>(2,420,848)</b>
Interest payable and similar charges	7	(137,358)	(45,180)
<b>Loss before tax</b>		<b>(2,130,620)</b>	<b>(2,466,028)</b>
Tax on loss	8	18,035	(1,618)
<b>Loss for the financial year</b>		<b>(2,112,585)</b>	<b>(2,467,646)</b>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 11 to 22 form part of these financial statements.

# Signature of Reigate (Operations) Limited

Registered number: 09159992

## Statement of Financial Position As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	9		227,715		286,106
			<u>227,715</u>		<u>286,106</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	10	693,492		176,627	
Cash at bank and in hand		499,053		956	
		<u>1,192,545</u>		<u>177,583</u>	
Creditors: amounts falling due within one year	11	(4,821,009)		(2,491,800)	
<b>Net current liabilities</b>			<u>(3,628,464)</u>		<u>(2,314,217)</u>
<b>Total assets less current liabilities</b>			<u>(3,400,749)</u>		<u>(2,028,111)</u>
Creditors: amounts falling due after more than one year	12		(1,321,181)		(579,616)
<b>Provisions for liabilities</b>					
Deferred tax	13		-		(1,618)
<b>Net liabilities</b>			<u>(4,721,930)</u>		<u>(2,609,345)</u>
<b>Capital and reserves</b>					
Called up share capital	14		2		2
Profit and loss account	15		(4,721,932)		(2,609,347)
<b>Total equity</b>			<u>(4,721,930)</u>		<u>(2,609,345)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020



**T J Ball**  
Director

The notes on pages 11 to 22 form part of these financial statements.

## Signature of Reigate (Operations) Limited

### Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	2	(2,609,347)	(2,609,345)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,112,585)	(2,112,585)
<b>Total comprehensive income for the year</b>	-	(2,112,585)	(2,112,585)
<b>At 31 December 2019</b>	<b>2</b>	<b>(4,721,932)</b>	<b>(4,721,930)</b>

### 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	(141,701)	(141,699)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,467,646)	(2,467,646)
<b>Total comprehensive income for the year</b>	-	(2,467,646)	(2,467,646)
<b>At 31 December 2018</b>	<b>2</b>	<b>(2,609,347)</b>	<b>(2,609,345)</b>

The notes on pages 11 to 22 form part of these financial statements.

## **Signature of Reigate (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

#### **1. General information**

Signature of Reigate (Operations) 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 can be found on the Company Information page and the nature of the company's operations and its principal activities are set out in the Directors' 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 Section 1A of 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 Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

---

#### 2. Accounting policies (continued)

##### 2.2 Going concern

At the reporting date, the company had net current liabilities of £3,628,464 (2018: £2,314,217) and made a loss for the year of £2,112,585 (2018: £2,467,646). The company is reliant on the continued support of its parent entity, SSL Partners III LP, to be able to continue to operate as a going concern. A letter of support has been obtained pledging this support for the foreseeable future, being at least one year from the date of the approval of these financial statements.

Although there can be no absolute certainty that this support will be available throughout the period, the directors have no reason to believe that the support will be withdrawn. As a consequence, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The directors also consider it necessary to acknowledge the uncertainty created by the current global situation with COVID-19. The directors have considered the potential risks that could impact on the company, which operates in the UK carehome market, below.

##### Operation of Care Homes:

The risk exists that resident demand could be negatively impacted in the medium to longer term by the global COVID-19 pandemic. The negative impact is divided into two main factors being:

- A short term increase in the demand for services, due to deteriorating health whilst residents are in the home; and
- A significant fall in demand for our services in the medium to longer term, due to a downturn in demand following an increased death rate amongst the target market.

From a business perspective, the directors are confident they will be able to navigate these challenges. In the short term the company has historically been able to flex staff to meet demand. In the longer-term, demographics indicate a significant under supply of care and nursing services in the UK market, with the undersupply being greater than the anticipated increase in death rate from COVID-19.

A separate risk exists in relation to the supply of staff. This is of some concern to the directors, with mitigants in place to address this risk somewhat untested. The company is more protected than others in the sector, with staff to resident ratios in Signature homes typically more than double those of other operators. A reduction in labour supply of up to one third could therefore be accommodated and residents would still receive a good quality of care, albeit less than current high standards. The somewhat untested mitigant is a large scale recruitment exercise from other sectors, whom in the event of a pandemic are expected to release labour supply into the market. At the time of signing these accounts, this process is being tested with initial signs showing this can be achieved.

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

---

#### 2. Accounting policies (continued)

##### 2.2 Going concern (continued)

Based on the above risk assessment, the directors are of the opinion that COVID-19 does pose some risk to the company, however these risks are being well managed. In any case, the directors note that the ultimate parent entity SSL Partners III LP has significant reserves and has a commercial incentive to continue supporting the group, therefore, even in the worst case scenario, the directors are confident that for the foreseeable future, being twelve months from the approval of these financial statements, the group and parent company would be able to meet its liabilities as they fall due. For this reason the directors believe that it remains appropriate to prepare the accounts on the going concern basis, but must acknowledge that the situation is evolving rapidly and it is not possible at this stage to determine with any certainty the full impact on the company, its customers and suppliers. As such, there is a risk that the ultimate parent entity may not be able to provide financial support if the impact of COVID-19 on the wider group is more severe than expected. On this basis there is considered to be a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments that would arise if the company were unable to continue as a going concern.

##### 2.3 Turnover

Turnover comprises revenue recognised by the company in respect of well-being, nursing and care services supplied during the year, exclusive of Value Added Tax. Turnover is recognised at the point at which services are delivered. All turnover arises within the United Kingdom.

##### 2.4 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.

##### 2.5 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 provided on the following bases:

Motor vehicles	- 16.67% - 33.33% per annum
Fixtures and fittings	- 16.67% - 33.33% per annum
Computer equipment	- 16.67% - 33.33% per annum

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 Statement of Comprehensive Income.



## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

---

#### 2. Accounting policies (continued)

##### 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 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.

##### 2.8 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically payables and 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 out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

---

#### 2. Accounting policies (continued)

##### 2.9 Creditors

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

##### 2.10 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### 2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the reporting.

##### 2.12 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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.

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

---

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

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

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### 4. Turnover

The whole of the turnover is attributable to the principal activity of the company and all arose in the United Kingdom.

#### 5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	116,934	50,640
Other operating lease rentals	2,746,009	1,388,505

The audit fee for the company of £6,500 (2018: £6,500) was borne by SSL Partners III LP.

The company's directors are remunerated by Signature Senior Lifestyle Operations Limited, a related party. 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 the company is approximately £4,000 (2018: £6,500), which has been included within the composite welfare service charge (see note 6).

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 6. Employees

The company has no employees other than the three directors (2018: six directors).

All operating employee costs are incurred through Signature Senior Lifestyle Operations Ltd, a related party, and recharged to the company as a component of composite welfare services under a management agreement.

#### 7. Interest payable and similar charges

	2019 £	2018 £
On loans from group undertakings	<u>137,358</u>	<u>45,180</u>

#### 8. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(18,035)	1,618
<b>Total deferred tax</b>	<u>(18,035)</u>	<u>1,618</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(18,035)</u>	<u>1,618</u>

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 8. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(2,130,620)</u>	<u>(2,466,028)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(404,818)	(468,545)
Effects of:		
Expenses not deductible for tax purposes	-	6
Adjustments to tax charge to average rate	-	49,320
Deferred tax not recognised	344,171	420,837
Effect of changes in tax rates	42,612	-
<b>Total tax charge for the year</b>	<u><b>(18,035)</b></u>	<u><b>1,618</b></u>

##### Factors that may affect future tax charges

The company has losses carried forward of £4,632,230 (2018: £2,617,369). These losses will reduce the tax charge of future years until they are utilised.

No deferred tax asset in respect of these losses, which would amount to approximately £787,000 (2018: £447,000), has been recognised as there is currently insufficient certainty as to the precise timing of when the asset will be recovered.

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This will increase the company's future tax charge.

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 9. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2019	78,958	257,788	-	336,746
Additions	-	35,992	22,551	58,543
At 31 December 2019	78,958	293,780	22,551	395,289
<b>Depreciation</b>				
At 1 January 2019	8,124	42,516	-	50,640
Charge for the year	19,740	90,491	6,703	116,934
At 31 December 2019	27,864	133,007	6,703	167,574
<b>Net book value</b>				
At 31 December 2019	51,094	160,773	15,848	227,715
At 31 December 2018	70,834	215,272	-	286,106

#### 10. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	474,079	18,515
Other debtors	3,116	119,492
Prepayments and accrued income	199,880	38,620
Deferred taxation	16,417	-
	<u>693,492</u>	<u>176,627</u>

The impairment loss recognised in the Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £244 (2018: £Nil).

# Signature of Reigate (Operations) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 11. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	303,136	86,772
Amounts owed to group undertakings	3,937,158	2,166,649
Other creditors	10,669	-
Accruals and deferred income	570,046	238,379
	<u>4,821,009</u>	<u>2,491,800</u>

### 12. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Accruals and deferred income	<u>1,321,181</u>	<u>579,616</u>

### 13. Deferred taxation

	2019 £
At beginning of year	(1,618)
Credited to profit or loss	18,035
<b>At end of year</b>	<u><b>16,417</b></u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>16,417</u>	<u>(1,618)</u>

### 14. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## Signature of Reigate (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 15. Reserves

The company's reserves are as follows:

##### Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

#### 16. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	2,602,740	2,005,479
Later than 1 year and not later than 5 years	11,200,000	11,002,740
Later than 5 years	65,783,014	68,583,014
	<u>79,585,754</u>	<u>81,591,233</u>

#### 17. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

During the year, the company was charged composite welfare services fees of £2,605,136 (2018: £1,399,370) by Signature Senior Lifestyle Operations Limited, of which £123,863 (2018: £80,896) was outstanding at the reporting date.

During the year, the company was charged administration services of £47,677 (2018: £11,112) by Signature Senior Lifestyle Limited, of which £3,115 (2018: £2,921) was outstanding at the reporting date.

Signature Senior Lifestyle Operations Limited and Signature Senior Lifestyle Limited are regarded as related parties as they have a fellow subsidiary which is the General Partner to, and another fellow subsidiary which has a co-investment of 20% in, SSL Partners III LP.

SSL Partners III LP ultimately owns Signature of Reigate (Operations) Limited.

#### 18. Post balance sheet events

Subsequent to the year end a pandemic was declared regarding COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the full impact on the company, its customers and suppliers. The directors have forecast different scenarios and believe that operational risks are mitigated by the current procedures in place and ongoing future risk planning although the situation is extremely uncertain and is evolving rapidly. Although this is considered unlikely at this stage, there is a risk the company could require further funding. On this basis there is considered to be a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.



## **Signature of Reigate (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

#### **19. Ultimate parent undertaking and controlling party**

The company's immediate parent company is Signature of Reigate (Property) Guernsey Limited, registered in Guernsey, and its ultimate parent and controlling party is SSL Partners III LP. SSL Partners III LP is a limited partnership registered in the UK whose business address is Grosvenor House, Horseshoe Crescent, Beaconsfield, Buckinghamshire, HP9 1JL. Consolidated accounts are not publicly available.