

**Signature of Reigate (Operations)
Limited**

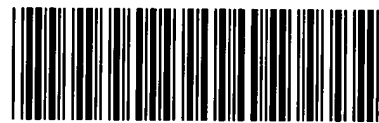
Directors' Report and Financial Statements

Year Ended

31 December 2020

Company Number 09159992

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Signature of Reigate (Operations) Limited

Company Information

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

Signature of Reigate (Operations) Limited

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Signature of Reigate (Operations) Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

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

Going concern

At the reporting date, the company had net current liabilities of £5,188,402 (2019: £3,628,464) and made a loss for the year of £1,746,588 (2019: £2,112,585). The company is reliant on the continued support of its ultimate 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this support will be available throughout the period, the directors have no reason to believe that the support will be withdrawn.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.

As indicated below, 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 care home market, below.

Signature of Reigate (Operations) Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Going concern (continued)

Operation of care homes:

During the year the company has seen its revenue contract as a result of admissions embargos placed upon it via local and national lockdown events. It is however noted that on a year on year basis there has been no material change in resident turnover, with exits in the year materially consistent with the prior year. The future risk to income is therefore represented by the incidence and frequency of local and national lockdown events, which restrict new resident admissions, outside of which trading is expected to be at or above normal levels.

The directors have also considered the reputational impact on the care home sector as a result of the pandemic. It is however noted that outside of lockdown periods, enquiry levels continue to be at or above historic levels, suggesting no longer term negative impact. The fact that all Signature facilities are nursing registered, and provide needs driven services, is felt to protect demand. The directors believe that these risks are being well managed and are not considered to impact the long term demand for the care home.

Based on the above risk assessment, the directors are of the opinion that COVID-19 does pose some risk to the company, however the risk is 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 company as it indirectly owns the care home property that is leased by the company. Therefore, even in the worst case scenario, the directors are confident that for the foreseeable future, being twelve months from the approval of these financial statements, the company would be able to meet its liabilities as they fall due. For this reason the directors believe that it remains appropriate to prepare the accounts on the going concern basis, but must acknowledge that the letter of support is not legally binding which therefore does indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and settle its liabilities in the ordinary course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Disclosure of information to auditor

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

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

Auditor

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

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 19 April 2021

and signed on its behalf.



T J Ball
Director

Signature of Reigate (Operations) Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signature of Reigate (Operations) Limited

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Signature of Reigate (Operations) Limited ("the company") for the year ended 31 December 2020 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).

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 indicates that the company is reliant on the continued financial support from its parent company which is not legally binding. As stated in note 2.2, these events or conditions, along with other matters as set out in note 2.2, indicate that a material uncertainty exists which may cast significant over the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

We have nothing to report in this regard.

Signature of Reigate (Operations) Limited

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

Other Companies Act 2006 reporting

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.

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.

Responsibilities of directors

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

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

Signature of Reigate (Operations) Limited

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. The most relevant frameworks identified include:

- UK GAAP
- Companies Act 2006
- Corporation Tax legislation
- Care Quality Commission regulations

We understood how the Company is complying with these legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes and correspondence with regulatory bodies.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We have obtained an understanding of the internal control environment and how management oversees the implementation of controls. We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. In areas of the financial statements where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included identifying any journals with unusual characteristics and testing material journal entries.

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

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

Signature of Reigate (Operations) Limited

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

Use of our report

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

BDO LLP

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

Date: 19 April 2021

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 2020

| | | 2020 £ | 2019 £ |
|--|----|---------------------------|---------------------------|
| Turnover | 4 | 5,577,437 | 4,374,350 |
| Cost of sales | | (3,755,953) | (3,173,156) |
| Gross profit | | <u>1,821,484</u> | <u>1,201,194</u> |
| Administrative expenses | | (3,516,604) | (3,194,456) |
| Other operating income | 5 | 115,878 | - |
| Operating loss | 6 | <u>(1,579,242)</u> | <u>(1,993,262)</u> |
| Interest receivable and similar income | 8 | 185 | - |
| Interest payable and similar charges | 9 | (178,797) | (137,358) |
| Loss before tax | | <u>(1,757,854)</u> | <u>(2,130,620)</u> |
| Tax on loss | 10 | 11,266 | 18,035 |
| Loss for the financial year | | <u><u>(1,746,588)</u></u> | <u><u>(2,112,585)</u></u> |

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 11 to 21 form part of these financial statements.

Signature of Reigate (Operations) Limited

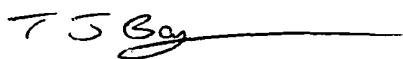
Registered number: 09159992

Statement of Financial Position As at 31 December 2020

| | Note | 2020 £ | 2019 £ |
|---|------|---------------------------|---------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 132,161 | 227,715 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 12 | 592,087 | 693,492 |
| Cash at bank and in hand | | 830 | 499,053 |
| | | <u>592,917</u> | <u>1,192,545</u> |
| Creditors: amounts falling due within one year | 13 | (5,781,319) | (4,821,009) |
| Net current liabilities | | <u>(5,188,402)</u> | <u>(3,628,464)</u> |
| Total assets less current liabilities | | <u>(5,056,241)</u> | <u>(3,400,749)</u> |
| Creditors: amounts falling due after more than one year | 14 | (1,412,277) | (1,321,181) |
| Net liabilities | | <u><u>(6,468,518)</u></u> | <u><u>(4,721,930)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 16 | 2 | 2 |
| Profit and loss account | 17 | (6,468,520) | (4,721,932) |
| Total equity | | <u><u>(6,468,518)</u></u> | <u><u>(4,721,930)</u></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 19 April 2021



T J Ball
Director

The notes on pages 11 to 21 form part of these financial statements.

Signature of Reigate (Operations) Limited

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

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|--------------------|
| | £ | £ | £ |
| At 1 January 2020 | 2 | (4,721,932) | (4,721,930) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (1,746,588) | (1,746,588) |
| Total comprehensive income for the year | - | (1,746,588) | (1,746,588) |
| At 31 December 2020 | 2 | (6,468,520) | (6,468,518) |

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) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (2,112,585) | (2,112,585) |
| Total comprehensive income for the year | - | (2,112,585) | (2,112,585) |
| At 31 December 2019 | 2 | (4,721,932) | (4,721,930) |

The notes on pages 11 to 21 form part of these financial statements.

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

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:

2.2 Going concern

At the reporting date, the company had net current liabilities of £5,188,402 (2019: £3,628,464) and made a loss for the year of £1,746,588 (2019: £2,112,585). The company is reliant on the continued support of its ultimate 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.

As indicated below, 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 care home market, below.

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.2 Going concern (continued)

Operation of care homes:

During the year the company has seen its revenue contract as a result of admissions embargos placed upon it via local and national lockdown events. It is however noted that on a year on year basis there has been no material change in resident turnover, with exits in the year materially consistent with the prior year. The future risk to income is therefore represented by the incidence and frequency of local and national lockdown events, which restrict new resident admissions, outside of which trading is expected to be at or above normal levels.

The directors have also considered the reputational impact on the care home sector as a result of the pandemic. It is however noted that outside of lockdown periods, enquiry levels continue to be at or above historic levels, suggesting no longer term negative impact. The fact that all Signature facilities are nursing registered, and provide needs driven services, is felt to protect demand. The directors believe that these risks are being well managed and are not considered to impact the long term demand for the care home.

Based on the above risk assessment, the directors are of the opinion that COVID-19 does pose some risk to the company, however the risk is 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 company as it indirectly owns the care home property that is leased by the company. Therefore, even in the worst case scenario, the directors are confident that for the foreseeable future, being twelve months from the approval of these financial statements, the company would be able to meet its liabilities as they fall due. For this reason the directors believe that it remains appropriate to prepare the accounts on the going concern basis, but must acknowledge that the letter of support is not legally binding which therefore does indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and settle its liabilities in the ordinary course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

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 Interest income

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

2.5 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 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.

2.7 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 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.

2.8 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.

2.9 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.

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.13 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.

2.14 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 2020

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 11)

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. Other operating income

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Government infection control grant | 115,878 | - |

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Operating loss

The operating loss is stated after charging:

| | 2020 £ | 2019 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Depreciation of tangible fixed assets | 134,929 | 116,934 |
| Other operating lease rentals | 2,793,067 | 2,746,009 |
| | <u> </u> | <u> </u> |

The audit fee for the company of £7,500 (2019: £6,500) was borne by SSL Partners III LP.

7. Employees

The company has no employees other than the three directors (2019: three 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.

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 £Nil (2019: £4,000), which forms part of the cost of sales balance.

8. Interest receivable

| | 2020 £ | 2019 £ |
|---------------------------|-----------------------------|-----------------------------|
| Other interest receivable | 185 | - |
| | <u> </u> | <u> </u> |

9. Interest payable and similar charges

| | 2020 £ | 2019 £ |
|----------------------------------|-----------------------------|-----------------------------|
| On loans from group undertakings | 178,797 | 137,358 |
| | <u> </u> | <u> </u> |

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Taxation

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Corporation tax | | |
| Current tax on losses for the year | - | - |
| Total current tax | - | - |
| Deferred tax | | |
| Origination and reversal of timing differences | (9,145) | (18,035) |
| Effect on tax rate change on opening balance | (2,121) | - |
| Total deferred tax | (11,266) | (18,035) |
| Taxation on loss on ordinary activities | (11,266) | (18,035) |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

| | 2020 £ | 2019 £ |
|---|-------------|-------------|
| Loss on ordinary activities before tax | (1,757,854) | (2,130,620) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | (333,992) | (404,818) |
| Effects of: | | |
| Deferred tax not recognised | 417,492 | 344,171 |
| Remeasurement of deferred tax for changes in tax rates | (94,766) | - |
| Effect of changes in tax rates | - | 42,612 |
| Total tax charge for the year | (11,266) | (18,035) |

Factors that may affect future tax charges

The company has losses carried forward of £6,341,703 (2019: £4,632,230). 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 £1,205,000 (2019: £787,000), has been recognised as there is currently insufficient certainty as to the precise timing of when the asset will be recovered.

There were no other factors that may affect future tax charges.

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

11. Tangible fixed assets

| | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|------------------------|-------------------------------|----------------------------|----------------|
| Cost | | | | |
| At 1 January 2020 | 78,958 | 293,780 | 22,551 | 395,289 |
| Additions | - | 29,363 | 10,012 | 39,375 |
| At 31 December 2020 | <u>78,958</u> | <u>323,143</u> | <u>32,563</u> | <u>434,664</u> |
| Depreciation | | | | |
| At 1 January 2020 | 27,864 | 133,007 | 6,703 | 167,574 |
| Charge for the year | 19,739 | 104,720 | 10,470 | 134,929 |
| At 31 December 2020 | <u>47,603</u> | <u>237,727</u> | <u>17,173</u> | <u>302,503</u> |
| Net book value | | | | |
| At 31 December 2020 | <u>31,355</u> | <u>85,416</u> | <u>15,390</u> | <u>132,161</u> |
| At 31 December 2019 | <u>51,094</u> | <u>160,773</u> | <u>15,848</u> | <u>227,715</u> |

12. Debtors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 427,185 | 474,079 |
| Other debtors | 49,153 | 3,116 |
| Prepayments and accrued income | 88,066 | 199,880 |
| Deferred taxation | 27,683 | 16,417 |
| | <u>592,087</u> | <u>693,492</u> |

The impairment loss recognised in the Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £7,617 (2019: £244).

Signature of Reigate (Operations) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

13. Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 22,625 | 303,136 |
| Amounts owed to group undertakings | 4,903,609 | 3,937,158 |
| Other creditors | 48,261 | 10,669 |
| Accruals and deferred income | 806,824 | 570,046 |
| | <u>5,781,319</u> | <u>4,821,009</u> |

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

| | 2020 £ | 2019 £ |
|------------------------------|------------------|------------------|
| Accruals and deferred income | <u>1,412,277</u> | <u>1,321,181</u> |

15. Deferred taxation

| | 2020 £ |
|---------------------------|---------------|
| At beginning of year | 16,417 |
| Charged to profit or loss | 11,266 |
| At end of year | <u>27,683</u> |

The deferred tax asset is made up as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>27,683</u> | <u>16,417</u> |

16. Share capital

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 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 2020

17. 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.

18. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Not later than 1 year | 2,800,000 | 2,602,740 |
| Later than 1 year and not later than 5 years | 11,200,000 | 11,200,000 |
| Later than 5 years | 62,983,014 | 65,783,014 |
| | <u>76,983,014</u> | <u>79,585,754</u> |

19. 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 £3,106,690 (2019: £2,605,136) by Signature Senior Lifestyle Operations Limited, of which £62,997 (2019: £123,863) was outstanding at the reporting date. Signature Senior Lifestyle Operations Limited also holds cash on behalf of the company of £48,647 (2019: £498,216).

During the year, the company was charged administration services of £51,051 (2019: £47,677) by Signature Senior Lifestyle Limited, of which £nil (2019: £3,115) 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.

20. 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.