

Company Registration No. SC273400 (England and Wales)

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Tavistock House South
Tavistock Square
London
WC1H 9LG



Rayner Essex LLP
Chartered Accountants

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION

Directors	Mr G S Dadral Mrs K Dadral Mr T Notchell	(Appointed 1 March 2021)
Secretary	Mr O Webber	
Company number	SC273400	
Registered office	Glenelvan House Carnegie Campus South Enterprise Way Dunfermline Fife Scotland KY11 8PY	
Auditor	Rayner Essex LLP Tavistock House South Tavistock Square London WC1H 9LG	

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
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SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the year ended 30 September 2020.

Fair review of the business

Swiis Foster Care Scotland is a non-for-profit service, operating within an agenda which is entirely driven by the requirement to provide outstanding care to the children and young people of Scotland. The service provides a wide range of interventional, therapeutic, and developmental programs which are designed to enhance the lives of our children and young people in a considerate, pragmatic and educational manner.

The COVID-19 pandemic has been a major consideration throughout the reporting period. The directors are pleased to report that Swiis Foster Care Scotland adapted comprehensively across the entire service to ensure that our carers, children and young people, and staff have been provided with exceptional support. We have adopted a number of initiatives to ensure that our service has remained as seamless as possible and that our overall priorities of ensuring the finest outcomes for the children and young people referred to us have been maintained.

The directors can report that the year proved to be a successful one, Swiis Foster Care Scotland closed the year with 224 carer households. We maintained our Investors in People 'Platinum' (achieved by only 1% of companies operating across Scotland) and Investors in Young People 'Gold' (the only service of our type to achieve this).

In February 2020 Swiis were announced as winners of the Scotland Excel Provider Excellence Awards in 2 categories, namely, 'Value for Money' and 'Workforce Development'. We were shortlisted in 2 other categories, 'Customer Service' and 'Small Business or Third Sector.'

In November 2020 we were extremely proud to be announced as winners of the Investors In People 'Third Sector' category and were also shortlisted in the 'Leadership & Management' and 'Learning & Development' categories.

The Care Inspectorate assess Swiis as 5 (very good) or higher across all quality themes. For our past 3 inspections our average for care & support was 5.3, management & leadership 5 and staffing 5. Our last inspection was July 2018. Swiis was due to be inspected by July 2020 but this has been delayed due to the pandemic. It is anticipated that we will be inspected during 2021 and we welcome our next inspection.

The number of foster care households in general terms across Scotland continued to decrease. There were 3,620 approved foster care households as of 31 December 2019, a total which has gradually decreased from 3,970 in 2016. In 2019, Local Authority services approved fewer new households than the previous year (197 compared to 210) as did independent services (115 compared to 160). Whilst from 2016 – 2019 the overall number of Swiis households approved has remained relatively static, our overall capacity increased due to 20 existing carer households expanding the number of 'full-time' placements they were approved to provide.

In the reporting period Swiis 27 Independent Providers approved 115 new carer households of which 29 were Swiis, we therefore created 25% of all new households approved within the independent sector.

Swiis Foster Care Scotland operates within the Scotland Excel Framework. During the reporting period we have provided over one quarter of all Framework placements.

Swiis Foster Care Scotland achieves exceptional outcomes for our children and young people. As with our prior reporting year we are gratified to report 100% of our school leavers migrated to positive destinations such as college or university, apprenticeship programs or employment.

The directors recognise the existing and future market complexities of operating a non-for-profit service within a highly competitive marketplace. The directors are confident the risks associated with this service are minimal and do not constitute risks or uncertainties other than the normal commercial risks associated with managing a business of this scale within the fostering sector in Scotland.

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Principal risks and uncertainties

The directors recognise the principal risks as being:

Liquidity Risk; The directors manage liquidity risk by a combination of controls such as monitoring gearing levels and ensuring facilities are readily available for future use as required.

Competition Risk; Swiis Foster Care Scotland operate in a highly competitive marketplace, we are confident however, of maintaining our market position through the provision of excellent service standards which are recognised throughout Scotland.

The UK economy; The directors recognise the economic pressures that are in place across Scotland and we are confident that we will continue to deliver outstanding foster care services to the children and young people of Scotland in line with the economic parameters of the Scottish local authorities we serve.

Development and performance

The directors and senior management team of Swiis Foster Care Scotland work in conjunction with the directors of Swiis within a strategic plan which is designed to continue to provide excellent outcomes for our children and young people. The financial year of 2019-20 has shown continuous stability alongside continuing with our agenda of enhancing our qualitative outcomes. This trend is, according to all forecasting factors available to the directors, set to continue in the immediate future and beyond.

Whilst operating throughout the Covid-19 pandemic has been challenging, the dedication of our staff and carers has ensured that our children and young people have continued to achieve excellent outcomes in stable home environments.

Key performance indicators

The financial year ending 2020 demonstrates a stable and successful operation within the non-for-profit fostering arena of Scotland.

The company's financial performance for the year is monitored using the following KPI's:

Turnover for the year - £13,325,347 (2019: £13,705,539)

Gross profit % - 46.94% (2019: 46.64%)

Operating profit % 2.41% (2019: 2.62%)

Net profit % 1.97% (2019: 2.13%)

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Uncertainty relating to Covid-19

Swiis Foster Care Scotland have, for both policy and contractual compliance, an ongoing Business Continuity Plan. This is overseen and regulated by our senior management team led by our Chief Executive Officer. Our Business Continuity Plan factors in measures to ensure that the Swiis service in Scotland continues to operate as seamlessly as possible in the event of unforeseen circumstances, including pandemics.

However, due to the impact and nature of COVID-19, Swiis Foster Care Scotland are joined to a specific team (Falcon). For Scotland, this is led by both our Chief Executive Officer and our Director of Foster Care Scotland. Sitting on a weekly basis the Falcon team monitors the impact of COVID-19 on every aspect of our fostering service.

Our service in Scotland can be migrated between 'office' and 'homeworking' with our offices adjusted to meet social distancing guidelines and equipped with screens, hand sanitizers, antiseptics and social distancing floor guides. Home working is supported through a range of comprehensively protected 'virtual' enterprises.

Swiis Foster Care Scotland have, and continue to, provide extensive support to our carers through direct support such as food and pharmaceutical deliveries, and virtual support through a range of options including but not restricted to; educational tools, virtual forums, virtual training, participation programs, fitness programs and 'age-specific' entertainment for our carers and young people.

Swiis Foster Care Scotland have an extensive stock of Personal Protection Equipment including masks, gloves, and hand sanitizers for our social workers operating in the field.

A specific COVID-19 policy has been designed and issued to every employee to provide advice, support, and guidance.

The directors have considered the impact on the company of Covid-19 and the impact this is having on the global markets.

On behalf of the board



Mr T Notchell
Director
30 April 2021

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The directors present their annual report and financial statements for the year ended 30 September 2020.

Principal activities

The principal activity of the company continued to be that of the provision of foster care throughout Scotland.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G S Dadral

(Appointed 1 March 2021)

Mrs K Dadral

Mr T Notchell

Results and dividends

The results for the year are set out on page 8.

Auditor

The auditor, Rayner Essex LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr T Notchell

Director

30 April 2021

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF SWIIS FOSTER CARE SCOTLAND LIMITED

Opinion

We have audited the financial statements of Swiis Foster Care Scotland Limited (the 'company') for the year ended 30 September 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 FRS 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 30 September 2020 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 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as impairment of fixed assets, recoverability of debtors, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

The impact of uncertainties due to Covid-19 on our audit

Uncertainties related to the global effects of Covid-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as impairment of fixed assets, recoverability of debtors, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 is one of the most significant global economic events presently and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Covid-19.

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF SWIIS FOSTER CARE SCOTLAND LIMITED**

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.

However, as not all future events or conditions can be predicted, such as the impact of Brexit and Covid-19 and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation as a going concern.

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 our audit:

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

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 the directors' report.

We have nothing to report in respect of the following matters where 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.

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF SWIIS FOSTER CARE SCOTLAND LIMITED

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.

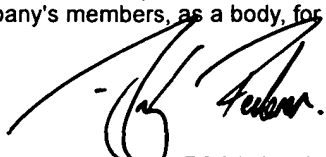
Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at: <http://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.



Antony Federer FCA FCCA CF (Senior Statutory Auditor)
for and on behalf of Rayner Essex LLP

30 April 2021

**Chartered Accountants
Statutory Auditor**

Tavistock House South
Tavistock Square
London
WC1H 9LG

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	13,325,347	13,705,539
Cost of sales		(7,070,109)	(7,313,425)
Gross profit		6,255,238	6,392,114
Administrative expenses		(5,934,049)	(6,032,416)
Operating profit	4	321,189	359,698
Interest receivable and similar income	6	242	242
Profit before taxation		321,431	359,940
Tax on profit	7	(59,478)	(68,690)
Profit for the financial year		261,953	291,250

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 £	2019 £
Profit for the year	261,953	291,250
Other comprehensive income	-	-
Total comprehensive income for the year	<u>261,953</u>	<u>291,250</u>

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8		12,214		7,093
Current assets					
Debtors	9	3,080,178		3,214,176	
Cash at bank and in hand		4,830		14,194	
		<u>3,085,008</u>		<u>3,228,370</u>	
Creditors: amounts falling due within one year	10	<u>(750,863)</u>		<u>(1,151,057)</u>	
Net current assets			<u>2,334,145</u>		<u>2,077,313</u>
Total assets less current liabilities			<u><u>2,346,359</u></u>		<u><u>2,084,406</u></u>
Capital and reserves					
Profit and loss reserves			<u><u>2,346,359</u></u>		<u><u>2,084,406</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:



Mr T Notchell
Director

Company Registration No. SC273400

**SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Profit and loss reserves £
Balance at 1 October 2018	1,793,156
Year ended 30 September 2019:	
Profit and total comprehensive income for the year	291,250
	<hr/>
Balance at 30 September 2019	2,084,406
Year ended 30 September 2020:	
Profit and total comprehensive income for the year	261,953
	<hr/>
Balance at 30 September 2020	<u><u>2,346,359</u></u>

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Swiis Foster Care Scotland Limited is a private company limited by shares incorporated in England and Wales. The registered office is Glenelvan House Carnegie Campus South, Enterprise Way, Dunfermline, Fife, Scotland, KY11 8PY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of SWIIS International Limited. These consolidated financial statements are available from its registered office, Connaught House, 80-81 Wimpole Street, London, W1G 9RE.

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and the company's principle risks and uncertainties, including those arising from the current Covid-19 pandemic and the government's response to it. The company meets its day-to-day working capital requirements through use of its cash and banking facilities which includes invoice discounting facilities.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company. In the modelled forecast scenarios the directors are satisfied that the company can continue to operate within its current cash and banking facilities. However, the directors acknowledge that the environment is continuously changing and, as such, projecting the impacts of COVID-19 is challenging.

1.3 Turnover

Revenue is measured at the fair value of the consideration received or receivable net of sales tax, trade discounts and customer returns and is recognised at the point a child placement carer has provided a period of care.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33.3% straight line
Computer equipment	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable in accordance with the rules of the scheme.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are not considered to be any estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the company.

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Sales	13,325,347	13,705,539
	<u>13,325,347</u>	<u>13,705,539</u>
	2020	2019
	£	£
Other significant revenue		
Interest income	242	242
	<u>242</u>	<u>242</u>
	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	13,325,347	13,705,539
	<u>13,325,347</u>	<u>13,705,539</u>

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,400	10,400
Depreciation of owned tangible fixed assets	5,840	11,337
Operating lease charges	271,361	224,289
	<u>271,361</u>	<u>224,289</u>

Included in administrative costs is £1,345,960 (2019: £2,764,984) relating to head office costs recharged from fellow subsidiary company Swiis (UK) Limited.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Administrative staff	58	63
Management staff	5	5
	<u>58</u>	<u>63</u>
Total	<u>63</u>	<u>68</u>

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,153,246	2,179,296
Social security costs	208,819	220,177
Pension costs	194,874	142,431
	<u>2,556,939</u>	<u>2,541,904</u>

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	242	242
	<u>242</u>	<u>242</u>

7 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	59,478	68,690
	<u>59,478</u>	<u>68,690</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	<u>321,431</u>	<u>359,940</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	61,072	68,389
Tax effect of expenses that are not deductible in determining taxable profit	1,110	(3,951)
Adjustments in respect of prior years	-	3,435
Permanent capital allowances in excess of depreciation	(2,535)	817
To reconcile	(169)	-
Taxation charge for the year	<u>59,478</u>	<u>68,690</u>

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 October 2019	5,667	11,563	17,230
Additions	7,130	1,941	9,071
Disposals	(5,667)	(2,136)	(7,803)
Transfers	-	1,890	1,890
At 30 September 2020	7,130	13,258	20,388
Depreciation and impairment			
At 1 October 2019	4,721	5,416	10,137
Depreciation charged in the year	1,668	4,172	5,840
Eliminated in respect of disposals	(5,667)	(2,136)	(7,803)
At 30 September 2020	722	7,452	8,174
Carrying amount			
At 30 September 2020	6,408	5,806	12,214
At 30 September 2019	946	6,147	7,093

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,205,645	1,118,370
Amounts owed by group undertakings	1,807,209	2,003,035
Other debtors	300	300
Prepayments and accrued income	67,024	92,471
	3,080,178	3,214,176

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	43,935	68,423
Corporation tax	59,478	138,990
Other creditors	499,024	711,909
Accruals and deferred income	148,426	231,735
	<u>750,863</u>	<u>1,151,057</u>

A charge was registered on 22.06.16 with HSBC Bank Plc that contains a fixed and floating charge over the assets of the company. The charge cross guarantees the liabilities of each company across the group.

Included in other creditors is £499,024 (2019: £711,909) representing amounts advanced against trade debtors. This invoice discounting facility is secured by a charge registered 25.07.16 with HSBC Invoice Finance (UK) Limited. These advances are secured by a fixed and floating charge over all assets of the company and a fixed charge over the debtors of the company.

11 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>194,874</u>	<u>142,431</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	72,000	71,053
Between two and five years	208,456	163,200
In over five years	12,324	12,324
	<u>292,780</u>	<u>246,577</u>

13 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 33.1A 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company and the parties to those transactions are wholly owned subsidiary undertakings of the group.

SWIIS FOSTER CARE SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14 Ultimate controlling party

The parent and controlling company is SWIIS International Limited, a company incorporated in England and Wales, which prepares consolidated financial statements and these are available from the Registrar of Companies.

The ultimate controlling parties were G S Dadral and K Dadral throughout the current and previous year.

15 Company limited by guarantee

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.