

# Southern Adolescent Care Services Ltd

Annual report and unaudited financial statements

For the year ended 31 March 2023

Company registration number: 07093561



# Southern Adolescent Care Services Ltd

## Annual report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes	8

# Southern Adolescent Care Services Ltd

## Directors and other information

### **Directors**

D L Manson  
C J Anderton

### **Registered office**

Maybrook House  
Second Floor  
Queensway  
Halesowen  
B63 4AH

### **Company registration number**

07093561

# Southern Adolescent Care Services Ltd

## Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2023.

### Principal activity

The principal activity of the company is the provision of care services to children. The directors confirm their intention to continue these operations in the coming financial year.

### Results and dividends

The results for the period are set out in the profit and loss account on page 5 and in the related notes.

In order to reflect the fact that the company no longer manages the contractual relationships with Local Authorities (as these contracts are in the main with a fellow group company, Keys PCE Limited), an arm's length mark-up has been applied to profit before interest and tax. This percentage mark-up may vary over time to ensure that it continues to provide an arm's length return to the company, based on the care services that it provides. If contracts are still in the process of being novated to Keys PCE Limited the company providing care services will retain some of their own billing. If a company is generating an overall profit before interest and tax lower than the agreed full cost mark-up, Keys PCE Limited credits the company such that the agreed arm's length full cost mark-up is met. The directors feel that this gives an appropriate representation of the company's results.

The balance sheet shows that the company has net current liabilities of £398,000 (2022: £360,000) and net assets of £548,000 (2022: £515,000).

Dividends of £Nil were paid during the year (14 months to 31 March 2022: £Nil).

### Directors

The directors who held office during the year were as follows:

D L Manson  
C J Anderton

### Group restructure

The company previously named Keys Group Limited (now renamed Keys Accomplish Group Limited) was the ultimate parent to this company. On 1 July 2022, the Keys Group headed by the company previously known as Keys Group Limited (now renamed Keys Accomplish Group Limited), merged with the Accomplish Group, a group of companies headed by Accomplish Mipco Limited. The Accomplish group provides specialist care and support for people with autism, mental health needs, learning disabilities and acquired brain injuries.

The Keys and Accomplish groups were both owned by G Square Capital (GP) CV LLP at the point of the restructure and continue to be after that date with the ultimate controlling party for both being G Square Capital (GP) CV LLP. Both now have a new ultimate parent company of Keys Group Limited (formerly Union Mipco Limited), and are now known together as the "group".

As a result of this merger the existing banking facilities were replaced with a combined facility for the group. This consists of a £270m unitranche facility expiring on 1 July 2029, with access to a committed capex/acquisition unitranche facility of £50m expiring on 1 July 2029 and a revolving credit facility of £15m expiring on 1 January 2029. The Keys group still retains the £15m of £12% preference shares, however as part of the merger, the preference shares are now redeemable on the 10th anniversary of the adoption date or on an exit.

# Southern Adolescent Care Services Ltd

## Directors' report (*continued*)

### **Going concern**

The financial statements have been prepared on a going concern basis. The directors consider this to be appropriate for the reasons set out in note 1.

### **Political donations**

The company made no political donations or incurred any political expenditure during the year (14 months to 31 March 2022: £nil).

### **Small companies exemption**

In preparing the directors' report, the directors have taken the small companies exemption under Section 414 (B) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, not to prepare a strategic report for presentation with these financial statements.

### **Qualifying third party indemnity provisions**

The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Future outlook**

The directors consider both the results for the year and trading prospects to be satisfactory. It is the director's intention to continue to develop the present activities of the company.

On behalf of the board



C J Anderton  
Director

13 September 2023

Maybrook House  
Second Floor  
Queensway  
Halesowen  
B63 4AH

# Southern Adolescent Care Services Ltd

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern; and
- use the going concern basis of accounting 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error or fraud, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect such fraud and other irregularities.

# Southern Adolescent Care Services Ltd

## Profit and loss account

For the year ended 31 March 2023

		Year ended 31 March 2023 Pre- exceptional	Year ended 31 March 2023 Exceptionals	Year ended 31 March 2023 Total	14 months ended 31 March 2022 Pre- exceptional	14 months ended 31 March 2022 Exceptionals	14 months ended 31 March 2022 Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	3	945	343	1,288	1,797	346	2,143
Cost of sales		(497)	(501)	(998)	(814)	(989)	(1,803)
<b>Gross profit</b>		<b>448</b>	<b>(158)</b>	<b>290</b>	<b>983</b>	<b>(643)</b>	<b>340</b>
Administrative expenses		(214)	(51)	(265)	(174)	(134)	(308)
Operating profit	7	234	(209)	25	809	(777)	32
Loss on disposal of fixed assets		-	-	-	(27)	-	(27)
Interest payable and similar charges		-	-	-	(8)	-	(8)
<b>Profit/(loss) before taxation</b>		<b>234</b>	<b>(209)</b>	<b>25</b>	<b>774</b>	<b>(777)</b>	<b>(3)</b>
Taxation on profit/(loss) on ordinary activities	8	8	-	8	(22)	-	(22)
<b>Profit/(loss) for the financial year</b>		<b>242</b>	<b>(209)</b>	<b>33</b>	<b>752</b>	<b>(777)</b>	<b>(25)</b>

All amounts relate to continuing operations.

The company had no other comprehensive income and accordingly, a statement of other comprehensive income has not been presented.

The accompanying notes are an integral part of the financial statements.

# Southern Adolescent Care Services Ltd

## Balance sheet

As at 31 March 2023

	<i>Note</i>	<b>31 March 2023 £'000</b>	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>	<b>31 March 2022 £'000</b>
<b>Intangible assets</b>					
Goodwill	9		-		-
<b>Fixed assets</b>					
Tangible assets	10		963		884
<b>Current assets</b>					
Debtors: amounts falling due within one year	11	1,490		496	
Cash at bank and in hand		59		53	
		<u>1,549</u>		<u>549</u>	
<b>Creditors:</b> amounts falling due within one year	12	(1,947)		(909)	
<b>Net current liabilities</b>			<u>(398)</u>		<u>(360)</u>
<b>Total assets less current liabilities</b>			<u>565</u>		<u>524</u>
<b>Provisions:</b> amounts falling due after one year	13		(17)		(9)
<b>Net assets</b>			<u>548</u>		<u>515</u>
<b>Capital and reserves</b>					
Called up share capital	17		-		-
Profit and loss account			548		515
<b>Shareholders' funds</b>			<u>548</u>		<u>515</u>

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by board of directors on 13 September 2023 and signed on its behalf by:



C J Anderton  
Director

Company registration number: 07093561

The accompanying notes are an integral part of the financial statements.



# Southern Adolescent Care Services Ltd

## Statement of changes in equity

12 months ended 31 March 2023

	<b>Profit and loss account £'000</b>	<b>Share capital £'000</b>	<b>Total £'000</b>
Balance at 1 February 2021	540	-	540
<b>Total comprehensive expense for the period</b>			
Loss	(25)	-	(25)
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive expense for the period</b>	(25)	-	(25)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2022</b>	<b>515</b>	<b>-</b>	<b>515</b>
	<hr/>	<hr/>	<hr/>

	<b>Profit and loss account £'000</b>	<b>Share capital £'000</b>	<b>Total £'000</b>
Balance at 1 April 2022	515	-	515
<b>Total comprehensive income for the period</b>			
Profit	33	-	33
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	33	-	33
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2023</b>	<b>548</b>	<b>-</b>	<b>548</b>
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

# Southern Adolescent Care Services Ltd

## Notes

*forming part of the financial statements*

### **1 Accounting policies**

Southern Adolescent Care Services Ltd (company registration number: 07093561) (the “company”) is a private company limited by shares, incorporated and domiciled in England in the United Kingdom. The address of its registered office is: Maybrook House, Second Floor, Queensway, Halesowen, B63 4AH.

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’ (‘FRS 102’) and the Companies Act 2006. The presentation currency of these financial statements is sterling. Monetary amounts in these financial statements are rounded to the nearest £’000.

The company’s ultimate parent undertaking, Keys Group Limited (formerly Union Mipco Limited) includes the company in its consolidated financial statements. The consolidated financial statements of Keys Group Limited (formerly Union Mipco Limited) are prepared in accordance with FRS102 and are available to the public as stated in note 18. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Keys Group Limited (formerly Union Mipco Limited) include the disclosures equivalent to those required by FRS 102, the company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

### ***Going concern***

Notwithstanding net current liabilities of £398,000 as at 31 March 2023, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons below.

# Southern Adolescent Care Services Ltd

## Notes (continued)

### 1 Accounting policies (continued)

#### **Going concern (continued)**

The Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured loans, and cash generated through operating profits. This consists of £386m of 12% preference shares, a £270m Unitranche Facility expiring on 1 July 2029, with access to a Committed Capex / Acquisition Unitranche Facility of £50m expiring on 1 July 2029 and a Revolving Credit Facility of £15m expiring on 1 January 2029.

Management have prepared cash flow forecasts and accompanying covenant compliance calculations for the Combined Group for the period of 12 months from the signing of these financial statements, including what they consider to be a reasonably possible downside scenario. The cash outflows associated with the Combined Group's debt in this period are limited only to bank interest payments, limiting the size of required cash outflows on the Combined Group's financing. These cash flow forecasts indicate that the Combined Group will have sufficient funds to meet its liabilities as they fall due for that period and comply with all debt covenants.

The nature of the Keys Group operations means there is extensive intercompany trading and intercompany balances. Keys Group Limited (formerly Union Mipco Limited) has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due between group companies at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **Basic financial instruments**

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

#### **Goodwill**

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

# Southern Adolescent Care Services Ltd

## Notes (continued)

### 1 Accounting policies (continued)

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accrued for as described in the expenses section below.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Freehold property	2% straight line
Leasehold property	5% straight line
Fixtures & fittings	10% - 20% straight line
Computer equipment	25% straight line
Motor vehicles	25% straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### *Impairment excluding deferred tax assets*

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

# Southern Adolescent Care Services Ltd

## Notes (continued)

### **1 Accounting policies (continued)**

#### *Financial assets (including trade and other debtors) (continued)*

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Contingencies**

Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

The company is part of a VAT group and therefore they have joint and several liability for any VAT due. This has been borne by Keys PCE Limited and fully paid since the year end.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### **Employee benefits**

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### **Turnover**

Turnover generated on the provision of residential and educational services to children is recognised on the delivery of services in accordance with agreed contract terms. In order to reflect the fact that the company no longer manages the contractual relationships with Local Authorities (as these contracts are in the main with a fellow group company, Keys PCE Limited), an arm's length mark-up has been applied to profit before interest and tax. This percentage mark-up may vary over time to ensure that it continues to provide an arm's length return to the company, based on the care services that it provides. If contracts are still in the process of being novated to Keys PCE Limited the company providing care services will retain some of their own billing. If a company is generating an overall profit before interest and tax lower than the agreed full cost mark-up, Keys PCE Limited credits the company such that the agreed arm's length full cost mark-up is met. The directors feel that this gives an appropriate representation of the company's results.

# Southern Adolescent Care Services Ltd

## Notes (continued)

### 1 Accounting policies (continued)

#### *Expenses*

##### *Operating lease*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest*

Interest payable and similar charges include interest payable, finance charges and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

##### *Exceptional items*

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are items that are material either because of their size or their nature, and are considered non-recurring.

##### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

# Southern Adolescent Care Services Ltd

## Notes (continued)

### 1 Accounting policies (continued)

#### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

### 2 Judgements and key sources of estimation uncertainty

There were no material judgements or estimates utilised in the presentation of the financial statements of the Company.

### 3 Turnover

	<b>Year ended 31 March 2023 £'000</b>	<b>14 months ended 31 March 2022 £'000</b>
Rendering of services	-	1,392
Operating fee income from Keys PCE Limited	<b>1,288</b>	751
	<hr/>	<hr/>
	<b>1,288</b>	2,143
	<hr/>	<hr/>

All turnover derives from the company's principal activity which is carried out in the United Kingdom.

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period was as follows:

	<b>Year ended 31 March 2023 £'000</b>	<b>14 months ended 31 March 2022 £'000</b>
Average number of employees	23	14
	<hr/>	<hr/>
	23	14
	<hr/>	<hr/>

# Southern Adolescent Care Services Ltd

Notes (continued)

## 4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	<b>Year ended 31 March 2023 £'000</b>	<b>14 months ended 31 March 2022 £'000</b>
Wages and salaries	708	1,322
Social security costs	82	106
Contributions to defined contribution pension plans	17	30
	<hr/>	<hr/>
	<b>807</b>	<b>1,458</b>
	<hr/>	<hr/>

## 5 Directors' remuneration

	<b>Year ended 31 March 2023 £'000</b>	<b>14 months ended 31 March 2022 £'000</b>
Salary	-	52
	<hr/>	<hr/>
	-	52
	<hr/>	<hr/>

Company pension contributions of £nil (14 months ended 31 March 2022: £1,000) were made to a money purchase scheme on the directors behalf.

## 6 Exceptional costs

The company separately identifies and discloses exceptional items, by virtue of their size, nature or occurrence. The key elements of this expenditure are set out below:

	<b>Year ended 31 March 2023 £'000</b>	<b>14 months ended 31 March 2022 £'000</b>
Restructuring	209	777
	<hr/>	<hr/>
	<b>209</b>	<b>777</b>
	<hr/>	<hr/>

The restructuring has been classified as exceptional to the extent that it relates to revenue and costs associated with services that required significant restructuring after the acquisition of the company by Keys Group Holdings Limited.



# Southern Adolescent Care Services Ltd

Notes (continued)

## 7 Operating profit

	Year ended 31 March 2023 £'000	14 months ended 31 March 2022 £'000
<i>Included in profit are the following:</i>		
Operating leases		
- land and buildings (note 16)	111	24
Depreciation of tangible fixed assets:		
- owned assets	51	117
	<hr/>	<hr/>

## 8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Year ended 31 March 2023 £'000	14 months ended 31 March 2022 £'000
<b>Current tax</b>		
Current tax on income for the year	-	13
Adjustment in respect of prior years	(16)	-
	<hr/>	<hr/>
<b>Total current tax</b>	<b>(16)</b>	<b>13</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4	(2)
Adjustment in respect of prior years	4	8
Effect of changes in tax rate on opening liability	-	3
	<hr/>	<hr/>
<b>Total deferred tax</b>	<b>8</b>	<b>9</b>
	<hr/>	<hr/>
<b>Total tax (credit)/charge on profit/(loss)</b>	<b>(8)</b>	<b>22</b>
	<hr/>	<hr/>

# Southern Adolescent Care Services Ltd

Notes (continued)

## 8 Taxation (continued)

### Factors affecting the tax (credit)/charge for the year

The tax assessed for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £'000	2022 £'000
Profit/(loss) excluding taxation	25	(3)
Tax using the UK corporation tax rate of 19% (2022: 19%)	5	(1)
Non-deductible expenses	45	19
Transfer pricing adjustment	-	(4)
Prior year adjustment	(12)	8
Group relief claimed not paid for	(47)	-
Impact of difference between current and deferred tax rates	1	-
	<hr/>	<hr/>
Total tax (credit)/expense included in profit or loss	(8)	22
	<hr/>	<hr/>

### Factors which may affect future tax charges

The standard rate of UK corporation tax rate during the period is 19%. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. The Finance Bill bringing this into force was substantively enacted on 24<sup>th</sup> May 2021. This rate increase will have a consequential effect on the company's future tax charge. The deferred tax provision at 31 March 2023 has been calculated at 25%.

## 9 Goodwill

	Total £'000
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	180
	<hr/>
<b>Depreciation</b>	
At 1 April 2022 and 31 March 2023	180
	<hr/>
<b>Net book value</b>	
At 1 April 2022 and 31 March 2023	-
	<hr/>

Goodwill was written off in equal annual instalments over its estimated useful economic life of 5 years.

# Southern Adolescent Care Services Ltd

Notes (continued)

## 10 Tangible fixed assets

	Leasehold property	Freehold property	Computer equipment	Fixtures & Fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2022	157	642	8	168	32	1,007
Additions	-	-	-	113	17	130
Disposals	-	-	-	-	(8)	(8)
<b>At 31 March 2023</b>	<b>157</b>	<b>642</b>	<b>8</b>	<b>281</b>	<b>41</b>	<b>1,129</b>
<b>Depreciation</b>						
At 1 April 2022	3	79	3	7	31	123
Charge for the year	8	13	1	26	3	51
Disposals	-	-	-	-	(8)	(8)
<b>At 31 March 2023</b>	<b>11</b>	<b>92</b>	<b>4</b>	<b>33</b>	<b>26</b>	<b>166</b>
<b>Net book value</b>						
<b>At 31 March 2023</b>	<b>146</b>	<b>550</b>	<b>4</b>	<b>248</b>	<b>15</b>	<b>963</b>
At 31 March 2022	154	563	5	161	1	884

## 11 Debtors: amounts falling due within one year

	31 March 2023 £'000	31 March 2022 £'000
Prepayments and accrued income	21	4
Amounts owed from fellow group companies	1,463	492
Other debtors	6	-
	<b>1,490</b>	<b>496</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# Southern Adolescent Care Services Ltd

## Notes (continued)

### 12 Creditors: amounts falling due within one year

	31 March 2023 £'000	31 March 2022 £'000
Corporation tax	-	16
Accruals and deferred income	29	28
Amounts owed to fellow group companies	1,918	865
	<hr/>	<hr/>
	1,947	909
	<hr/>	<hr/>

Amounts owed to group undertakings and to parent company are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 13 Provisions

	Deferred tax £'000
As at 1 April 2022	9
Charge for the year	8
	<hr/>
<b>As at 31 March 2023</b>	<b>17</b>
	<hr/>

The deferred tax liability is attributable to the following:

	31 March 2023 £'000	31 March 2022 £'000
Accelerated capital allowances	17	9
	<hr/>	<hr/>
	17	9
	<hr/>	<hr/>

### 14 Employee benefits

#### Defined contribution pension plans

The company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £17,000 (14 months to 31 March 2022: £30,000).

### 15 Contingent liabilities

The company had no contingent liabilities at the year end (2022: £Nil).

# Southern Adolescent Care Services Ltd

Notes (continued)

## 16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	<b>Land &amp; buildings 2023 £'000</b>	Land & buildings 2022 £'000
Less than one year	<b>111</b>	-
Between one and five years	<b>333</b>	-
	<hr/>	<hr/>
	<b>444</b>	-
	<hr/>	<hr/>

## 17 Share capital

	<b>31 March 2023 £'000</b>	31 March 2022 £'000
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
1 Class B ordinary share of £1 each	-	-
1 Class C ordinary share of £1 each	-	-
	<hr/>	<hr/>
Shares classified in shareholders' funds	-	-
	<hr/>	<hr/>

## 18 Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of Keys Group Holdings Limited. The ultimate parent company is Keys Group Limited (formerly Union Mipco Limited), and the ultimate controlling party is G Square Capital (GP) CV LLP.

The largest group in which the results of the Company are consolidated is that headed by Keys Group Limited (formerly Union Mipco Limited), Maybrook House, Second Floor, Queensway, Halesowen B63 4AH. The smallest group in which they are consolidated is that headed by Union Midco Limited, Maybrook House, Second Floor, Queensway, Halesowen B63 4AH.

## 19 Related party transactions

The company is ultimately a wholly owned subsidiary of Keys Group Limited, and as such has taken advantage of the exemption in FRS 102 33.1A not to disclose transactions or balances with wholly owned subsidiaries which form part of the group.

# Southern Adolescent Care Services Ltd

Notes *(continued)*

## **20 Subsequent events**

There were no events after the balance sheet date that would require adjustment or disclosure in the financial statements.