

# **Speciality Care (Rest Homes) Limited**

**Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2016**

**Registration number: 03010116**

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# **Speciality Care (Rest Homes) Limited**

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# **Speciality Care (Rest Homes) Limited**

## **Company Information**

**Directors** Trevor Torrington  
Nigel Myers

**Company secretary** *David Hall*

**Registered office** Fifth Floor  
80 Hammersmith Road  
London  
W14 8UD

## **Speciality Care (Rest Homes) Limited**

### **Strategic Report for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

#### **Fair review of the business**

The results for the year are set out in the profit and loss account on page 6 and the position of the company as at the year end is set out in the balance sheet on page 8.

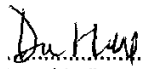
Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by unit, occupancy and profit margins achieved.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Partnerships in Care UK 1 Limited, an intermediate parent of the company, is discussed in the group's financial statements which includes the company and does not form part of this report.

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principle risks and uncertainties of Partnerships in Care UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the Board on 22 September 2017 and signed on its behalf by:

  
.....  
David Hall  
Company secretary

# **Speciality Care (Rest Homes) Limited**

## **Directors' Report for the Year Ended 31 December 2016**

The directors present their report and the unaudited financial statements for the year ended 31 December 2016.

### **Principal activity**

The principal activity of the company is care delivery.

### **Directors' of the company**

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

Tom Riall (resigned 30 November 2016)

Mark Moran (resigned 1 March 2016)

Trevor Torrington (appointed 30 November 2016)

Nigel Myers (appointed 30 November 2016)

### **Dividends**

The directors do not recommend the payment of a final dividend (2015: £nil). No dividends were paid during the year (2015: £nil).

### **Financial instruments**

The company's operations mean that it is exposed to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The directors monitor the risks in order to limit the adverse effects on the financial performance by reviewing levels of debt finance and the related finance costs, however these are integrated with the risks of the group and not managed separately. Accordingly, the financial risk management policies of Partnerships in Care UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### **Employee involvement**

The directors recognise that the continued position of the company in this sector depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the company's business aims and performance. This is achieved through internal publications, presentations on performance and a variety of other approaches appropriate for a particular location. Employees are consulted on issues through workshops, which are run regularly across the group.

### **Employment of disabled persons**

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the company's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of and to arranged appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

### **Future developments**

The future developments of the company are aligned to the strategy of the UK group, headed by Partnerships in Care UK 1 Limited. The group's strategy for the future development of the business is included in the group's financial statements, which do not form part of this report.

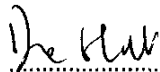
## **Speciality Care (Rest Homes) Limited**

### **Directors' Report for the Year Ended 31 December 2016 (continued)**

#### **Going concern**

The intermediate parent company, Partnerships in Care UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Approved by the Board on 22 September 2017 and signed on its behalf by:



.....  
David Hall  
Company secretary

## **Speciality Care (Rest Homes) Limited**

### **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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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.

## Speciality Care (Rest Homes) Limited

### Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover	4	3,483	3,357
Cost of sales		<u>(4,078)</u>	<u>(3,795)</u>
Gross loss		(595)	(438)
Administrative expenses		<u>(266)</u>	<u>(1,066)</u>
Operating loss	5	(861)	(1,504)
Interest payable and similar charges	6	<u>(46)</u>	<u>(45)</u>
Loss before tax		(907)	(1,549)
Tax on loss on ordinary activities	9	<u>95</u>	<u>380</u>
Loss for the year		<u><u>(812)</u></u>	<u><u>(1,169)</u></u>

The above results were derived from continuing operations.

The notes on pages 10 to 22 form an integral part of these financial statements.



## Speciality Care (Rest Homes) Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Loss for the year		<u>(812)</u>	<u>(1,169)</u>
Total comprehensive income for the year		<u><u>(812)</u></u>	<u><u>(1,169)</u></u>

The notes on pages 10 to 22 form an integral part of these financial statements.

## Speciality Care (Rest Homes) Limited

### (Registration number: 03010116) Balance Sheet as at 31 December 2016

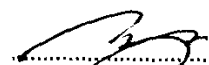
	Note	2016 £ 000	2015 £ 000
<b>Fixed assets</b>			
Intangible assets	11	146	146
Tangible assets	10	<u>2,566</u>	<u>1,898</u>
		<u>2,712</u>	<u>2,044</u>
<b>Current assets</b>			
Debtors	12	757	865
Cash at bank and in hand		<u>7</u>	<u>11</u>
		764	876
<b>Creditors: Amounts falling due within one year</b>	13	<u>(3,514)</u>	<u>(2,403)</u>
<b>Net current liabilities</b>		<u>(2,750)</u>	<u>(1,527)</u>
<b>Total assets less current liabilities</b>		(38)	517
<b>Creditors: Amounts falling due after more than one year</b>	14	(42)	(10)
<b>Provisions for liabilities</b>	15	<u>(3,234)</u>	<u>(3,009)</u>
<b>Net liabilities</b>		<u>(3,314)</u>	<u>(2,502)</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Profit and loss account		<u>(3,314)</u>	<u>(2,502)</u>
Shareholders' deficit		<u>(3,314)</u>	<u>(2,502)</u>

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 22 September 2017 and signed on its behalf by:



Nigel Myers  
Director

The notes on pages 10 to 22 form an integral part of these financial statements.

## Speciality Care (Rest Homes) Limited

### Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	-	(2,502)	(2,502)
Loss for the year	-	(812)	(812)
Total comprehensive income	-	(812)	(812)
At 31 December 2016	-	(3,314)	(3,314)

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	-	(1,333)	(1,333)
Loss for the year	-	(1,169)	(1,169)
Total comprehensive income	-	(1,169)	(1,169)
At 31 December 2015	-	(2,502)	(2,502)

The notes on pages 10 to 22 form an integral part of these financial statements.

## **Speciality Care (Rest Homes) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016**

#### **1 General information**

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of its registered office is:

Fifth Floor  
80 Hammersmith Road  
London  
W14 8UD  
United Kingdom

These financial statements were authorised for issue by the Board on 22 September 2017.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements are presented in sterling, rounded to the nearest thousand.

##### **Summary of disclosure exemptions**

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 19 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies ( the company had no other related party transactions); and
- Roll-forward reconciliations in respect of share capital (IAS 1) and property, plant and equipment (IAS 16).

## **Speciality Care (Rest Homes) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The financial statements have been prepared on a going concern basis. The intermediate parent company, Partnerships in Care UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2016 have had a material effect on the financial statements.

##### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company activities.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Payment is generally made for group relief at the current tax rate at the time of first estimating the tax provision. To the extent that amendments are subsequently made to the group relief plan, there is generally no payment or receipt in respect of the change.

##### **Tangible assets**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 2 Accounting policies (continued)

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	over 50 years
Short leasehold land and buildings	over the lease term
Fixture and fittings	over 3 to 16 years
Motor vehicles	over shorter of the lease term and 4 years

##### Intangible assets

Goodwill relating to acquisitions of businesses, which represents the excess of the fair value of the consideration paid over the fair value of the assets and liabilities acquired, is capitalised in the balance sheet in the year of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least annually, or more frequently where circumstances suggest an impairment may have occurred. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade debtors

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

##### Trade creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

# Speciality Care (Rest Homes) Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

### 2 Accounting policies (continued)

#### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Provisions**

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

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as non-current assets of the company at the lower of their fair value at the date of commencement of the lease and at the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability

#### **Impairment of non-financial assets**

Property, plant and equipment is tested for impairment by management when a trigger event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from an income-generating unit, which is an individual business operational unit.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 2 Accounting policies (continued)

##### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period then ended. Management bases its estimates on historical experience and various other assumptions that are considered to be reasonable in the particular circumstances. Actual results may differ from these estimates.

Estimates are used in accounting for allowances for uncollected receivables, depreciation, taxes and contingencies. Estimates and assumptions are reviewed periodically and the effects of the revision are reflected in the financial statements in the period that an adjustment is determined to be required.

Significant accounting judgements have been applied with respect to the valuation of deferred tax assets. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

#### 4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Rendering of services	<u>3,483</u>	<u>3,357</u>

All turnover and profit on ordinary activities before taxation arose within the United Kingdom and from one class of business.



## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 5 Operating profit

Arrived at after charging/(crediting)

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Depreciation expense	335	293
Operating lease expense - property	843	786

#### 6 Interest payable and similar charges

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Interest on obligations under finance leases and hire purchase contracts	9	10
Other finance costs	37	35

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Wages and salaries	2,204	1,991
Social security costs	148	134
Pension costs, defined contribution scheme	18	21

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2016</b> <b>No.</b>	<b>2015</b> <b>No.</b>
Administration and support	17	11
Other departments	134	126

#### 8 Directors' remuneration

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. No amounts (2015: £nil) have been recharged to the company in respect of the directors' services and the directors do not believe that it is practical to allocate these costs between group companies.

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 9 Income tax

Tax charged/(credited) in the profit and loss account

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	(110)	(348)
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>15</u>	<u>(32)</u>
Tax receipt in the profit and loss account	<u>(95)</u>	<u>(380)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Loss before tax	<u>(907)</u>	<u>(1,549)</u>
Corporation tax at standard rate	(181)	(314)
Increase (decrease) in current tax from adjustment for prior periods	34	-
Increase (decrease) from effect of capital allowances depreciation	19	1
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	16	(6)
Increase (decrease) from transfer pricing adjustments	(24)	(68)
Deferred tax expense (credit) relating to changes in tax rates or laws	8	7
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>33</u>	<u>-</u>
Total tax credit	<u>(95)</u>	<u>(380)</u>

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 20.00% (2015: 20.25%).

The main rate of corporation tax has been reduced from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from 1 April 2020. These rate reductions were substantively enacted before the year end and as the directors consider the deferred tax balances are expected to largely reverse after 1 April 2020, the tax rate used for deferred tax at the year end is 17%.

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 9 Income tax (continued)

##### Deferred tax

Deferred tax assets and liabilities

<b>2016</b>	<b>Asset £ 000</b>
Accelerated tax depreciation	25
Other items	85
	<u>110</u>

<b>2015</b>	<b>Asset £ 000</b>
Accelerated tax depreciation	35
Other items	90
	<u>125</u>

Deferred tax movement during the year:

	<b>At 1 January 2016 £ 000</b>	<b>Recognised in income £ 000</b>	<b>At 31 December 2016 £ 000</b>
Accelerated tax depreciation	35	(10)	25
Other items	90	(5)	85
Net tax assets/(liabilities)	<u>125</u>	<u>(15)</u>	<u>110</u>

Deferred tax movement during the prior year:

	<b>At 1 January 2015 £ 000</b>	<b>Recognised in income £ 000</b>	<b>At 31 December 2015 £ 000</b>
Accelerated tax depreciation	(7)	42	35
Other items	100	(10)	90
Net tax assets/(liabilities)	<u>93</u>	<u>32</u>	<u>125</u>

Deferred tax assets relating to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. On the basis of the approved business plans, it is considered probable that the temporary differences can be offset against future taxable profits.

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 10 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Properties under construction £ 000	Total £ 000
<b>Cost or valuation</b>					
At 1 January 2016	1,164	2,375	140	-	3,679
Additions	-	946	56	1	1,003
Disposals	-	(42)	(65)	-	(107)
At 31 December 2016	<u>1,164</u>	<u>3,279</u>	<u>131</u>	<u>1</u>	<u>4,575</u>
<b>Depreciation</b>					
At 1 January 2016	565	1,111	105	-	1,781
Charge for the year	48	257	30	-	335
Eliminated on disposal	-	(42)	(65)	-	(107)
At 31 December 2016	<u>613</u>	<u>1,326</u>	<u>70</u>	<u>-</u>	<u>2,009</u>
<b>Carrying amount</b>					
At 31 December 2016	<u>551</u>	<u>1,953</u>	<u>61</u>	<u>1</u>	<u>2,566</u>
At 31 December 2015	<u>599</u>	<u>1,264</u>	<u>35</u>	<u>-</u>	<u>1,898</u>

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £ 000	2015 £ 000
Motor vehicles	<u>61</u>	<u>35</u>

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 11 Intangible assets

	Goodwill £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2016	<u>146</u>	<u>146</u>
At 31 December 2016	<u>146</u>	<u>146</u>
<b>Carrying amount</b>		
At 31 December 2016	<u>146</u>	<u>146</u>
At 31 December 2015	<u>146</u>	<u>146</u>

#### 12 Trade and other debtors

	2016 £ 000	2015 £ 000
Trade debtors	212	39
Provision for impairment of trade debtors	<u>(14)</u>	<u>(17)</u>
Net trade debtors	198	22
Income tax asset	110	348
Accrued income	4	-
Prepayments	332	368
Other debtors	3	2
Deferred tax assets	<u>110</u>	<u>125</u>
Total current trade and other debtors	<u>757</u>	<u>865</u>

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

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

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Accrued expenses	319	160
Deferred income	79	130
Amounts due to group undertakings	2,926	1,943
Social security and other taxes	41	31
Outstanding defined contribution pension costs	7	3
Other creditors	125	109
Loans and borrowings	17	27
	<u>3,514</u>	<u>2,403</u>

Amounts due to group undertakings are unsecured, non-interest bearing and repayable on demand.

#### 14 Loans and borrowings

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>42</u>	<u>10</u>
	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>17</u>	<u>27</u>

#### 15 Other provisions

	<b>Onerous contracts</b>	<b>Future minimum rent</b>	<b>Dilapidations</b>	<b>Total</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
At 1 January 2016	2,195	314	500	3,009
Additional provisions	169	-	-	169
Increase (decrease) in existing provisions	21	35	-	56
At 31 December 2016	<u>2,385</u>	<u>349</u>	<u>500</u>	<u>3,234</u>

## Speciality Care (Rest Homes) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

#### 15 Other provisions (continued)

##### Dilapidation provisions

Provisions have been recorded for costs of returning properties held under operating leases to the state of repair at the inception of the lease. These provisions are expected to be utilised on the termination of the underlying leases.

##### Future minimum rent

Provisions have been recorded for future minimum rent payable as a result of the policy to straight line rent payments in the profit and loss account where leases have built in minimum rent escalator clauses. The provisions will be utilised over the life of the leases.

##### Onerous leases

Provisions have been recorded for the onerous payments on certain lease arrangements. They have been established on the basis of the expected onerous element of future lease payments over the remaining life of the relevant leases and agreements. These have been discounted and the provisions are expected to be utilised, with the discounts unwinding accordingly, over the remaining terms of the corresponding lease arrangements.

#### 16 Share capital

##### Allotted, called up and fully paid shares

	No. 000	2016 £ 000	No. 000	2015 £ 000
Ordinary shares of £1 each	-	-	-	-

#### 17 Obligations under leases

##### Operating leases

The total future value of minimum lease payments is as follows:

	2016 £ 000	2015 £ 000
Within one year	824	812
In two to five years	3,432	3,377
In over five years	7,224	8,103
	<u>11,480</u>	<u>12,292</u>

#### 18 Commitments

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £26,000 (2015 - £30,000).

## **Speciality Care (Rest Homes) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)**

#### **19 Parent and ultimate parent undertaking**

The company's immediate parent is Speciality Care Limited.

The ultimate parent is Acadia Healthcare Company Inc..

The parent of the largest group in which these financial statements are consolidated is Acadia Healthcare Company Inc., incorporated in the United States of America. The address of Acadia Healthcare Company Inc. is 830 Crescent Centre Drive, Suite 610, Franklin, TN 37067, United States of America.

The parent of the smallest group in which these financial statements are consolidated is Partnerships in Care UK 1 Limited, incorporated in the United Kingdom. The address of Partnerships in Care UK 1 Limited is Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.