

Company Registration No. 03047294 (England and Wales)

SLW LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

SLW LIMITED

COMPANY INFORMATION

Directors	LA Wrouth S Wrouth
Secretary	F Wright
Company number	03047294
Registered office	Sycamore Lodge Nookside Grindon Sunderland Tyne & Wear SR4 8PQ
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Yorkshire Bank 31 Blandford St Sunderland SR1 3JH

SLW LIMITED

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SLW LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The principal activity of the company continued to be that of providing general nursing and residential care for the elderly within a registered care home environment.

Throughout the 2020/21 financial period the company maintained a good level of occupancy within its care homes despite a challenging market place. The company is heavily dependent on the public sector commissioning its services, and despite reductions in funding due to the current economic climate, the business has maintained relatively high occupancy levels due to its high regard within the community. The company has continued with its program of improvements to services ensuring that commissioning standards to both the public and private sector are not only met but are also exceeded.

The directors remain focused on maintaining the current high standards of care in addition to improving liquid funds to assist in any future capital expenditure programmes, placing the company in a competitive position for the future growth in the care sector.

Financial risk management objectives and policies

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by bank loans where necessary to fund capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the company's trading activities.

The exposure to price risk, credit risk, liquidity risk and cash flow risk is not considered to be material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Development and performance

The ongoing COVID-19 pandemic has generated a significant level of uncertainty in the national economy and continues to impact day-to-day operations of the company. COVID-19 presents risks to the company as follows;

·Operational risk - There is a risk that residents or employees contract COVID-19. This risk is mitigated through stringent infection control, testing and limiting the number of visits from resident family members in line with government guidance and restrictions.

·Financial risk - Occupancy levels have been maintained throughout the year and the care homes have continued to generate profits to ensure it has enough resources in place in order to navigate through the COVID-19 pandemic and beyond. The directors continue to review costs to ensure value for money whilst ensuring standards of service and care are maintained.

SLW LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Key performance indicators

The directors consider turnover, gross profit margin and EBITDA (earnings before interest, tax, depreciation and amortisation) to be the key measures of the company's performance.

- Turnover has increased during the year by 15% to £5,446,153.
- Gross profit margin has decreased slightly in the year from 31.6% to 28.5%.
- EBITDA for the year was £1,193,221 (2020 - £850,576).

The profit after tax for the period was £824,191 (2020 - £567,842) and the net asset position at period end was £6,462,973 (2020 - £5,770,782).

The directors consider the company's results to be satisfactory in light of current market conditions.

On behalf of the board

LA WROUT

Director

Approved by the board on 28 March 2022

SLW LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Directors

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

LA Wrout
S Wrout

Results and dividends

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

Ordinary dividends were paid amounting to £132,000. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a General Meeting.

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.

Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

SLW LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

LA Wrout

Director

Approved by the board on 28 March 2022

SLW LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SLW LIMITED

Opinion

We have audited the financial statements of SLW Limited (the 'company') for the year ended 31 March 2021 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 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 31 March 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

SLW LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SLW LIMITED

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

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

SLW LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SLW LIMITED

Capability of the audit in detecting irregularities, including fraud

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include compliance with the independent regulator of health and adult social care in England, the Care Quality Commission.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

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.

Paul Gainford (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 30 March 2022

SLW LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	5,446,153	4,750,188
Cost of sales		(3,893,644)	(3,250,569)
Gross profit		1,552,509	1,499,619
Administrative expenses		(1,099,386)	(733,204)
Other operating income		646,745	-
Operating profit	4	1,099,868	766,415
Interest receivable and similar income		111	19,280
Interest payable and similar expenses	8	(80,013)	(94,109)
Profit before taxation		1,019,966	691,586
Tax on profit	9	(195,775)	(123,744)
Profit for the financial year		824,191	567,842

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

SLW LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Profit for the year	824,191	567,842
Other comprehensive income	-	-
Total comprehensive income for the year	<u>824,191</u>	<u>567,842</u>

SLW LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	6,753,530		6,734,310	
Current assets					
Stocks		500		500	
Debtors	12	3,197,182		3,604,138	
Cash at bank and in hand		1,320,504		687,455	
		<u>4,518,186</u>		<u>4,292,093</u>	
Creditors: amounts falling due within one year	13	<u>(964,715)</u>		<u>(1,571,000)</u>	
Net current assets			3,553,471		2,721,093
Total assets less current liabilities			<u>10,307,001</u>		<u>9,455,403</u>
Creditors: amounts falling due after more than one year	14		(3,674,010)		(3,533,322)
Provisions for liabilities					
Deferred tax liability	16	<u>170,018</u>		<u>151,299</u>	
			(170,018)		(151,299)
Net assets			<u>6,462,973</u>		<u>5,770,782</u>
Capital and reserves					
Called up share capital	18		200,000		200,000
Share premium account			28,704		28,704
Profit and loss reserves			<u>6,234,269</u>		<u>5,542,078</u>
Total equity			<u>6,462,973</u>		<u>5,770,782</u>

The financial statements were approved by the board of directors and authorised for issue on 28 March 2022 and are signed on its behalf by:

LA Wrout
Director

Company Registration No. 03047294

SLW LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2019		200,000	28,704	5,077,521	5,306,225
Year ended 31 March 2020:					
Profit and total comprehensive income for the year		-	-	567,842	567,842
Dividends	10	-	-	(103,285)	(103,285)
Balance at 31 March 2020		200,000	28,704	5,542,078	5,770,782
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	824,191	824,191
Dividends	10	-	-	(132,000)	(132,000)
Balance at 31 March 2021		200,000	28,704	6,234,269	6,462,973

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

SLW Limited is a private company limited by shares incorporated in England and Wales. The registered office is Sycamore Lodge, Nookside, Grindon, Sunderland, Tyne & Wear, SR4 8PQ.

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. 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' – Carrying amounts;

The financial statements of the company are consolidated in the financial statements of SLW (Holdings) Limited. These consolidated financial statements are available from its registered office, Sycamore Lodge, Nookside, Grindon, Sunderland, Tyne & Wear, SR4 8EG.

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. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the company's operations is mitigated. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents income in relation to general nursing and residential care for the elderly which has been provided in the period to which it relates and is stated after trade discounts and other sales taxes.

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:

Freehold buildings	1% straight line
Fixtures, fittings and equipment	15% reducing balance

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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).

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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, loans to fellow group companies 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.

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.

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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 and loans from fellow group companies, 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 receipts 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.

Derecognition of financial liabilities

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

1.8 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.

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.

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.

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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, if considered material to the financial statements.

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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 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.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment in assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Determining residual values and useful economic lives of fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management.

Judgement is applied by management when determining the residual values of tangible assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

The carrying amount of tangible fixed assets at the reporting date was £6,753,530 (2020 - £6,734,310).

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover		
Residency fees	5,446,153	4,750,188
	<u> </u>	<u> </u>
Grants received	493,658	-
	<u> </u>	<u> </u>

Turnover has arisen wholly within the UK.

Grant income includes amounts of £15,379 (2020 - £nil) receivable in relation to the Coronavirus Job Retention Scheme and £478,279 (2020 - £nil) receivable in relation to other local council coronavirus support.

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	111,839	84,161
Operating lease charges	5,325	30,727
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	7,000	7,000
	<u> </u>	<u> </u>

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

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

	2021 Number	2020 Number
Office and administration	5	5
Operating staff	194	161
Directors	2	2
	<hr/>	<hr/>
Total	201	168
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	3,477,411	2,920,091
Social security costs	225,744	188,629
Pension costs	52,744	43,737
	<hr/>	<hr/>
	3,755,899	3,152,457
	<hr/>	<hr/>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	13,000	13,000
	<hr/>	<hr/>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank loans	80,013	94,109
	<hr/>	<hr/>

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	176,929	120,929
Adjustments in respect of prior periods	127	(158)
	<u>177,056</u>	<u>120,771</u>
Deferred tax		
Origination and reversal of timing differences	18,719	2,973
	<u>18,719</u>	<u>2,973</u>
Total tax charge	<u>195,775</u>	<u>123,744</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:

	2021 £	2020 £
Profit before taxation	<u>1,019,966</u>	<u>691,586</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	193,794	131,401
Tax effect of expenses that are not deductible in determining taxable profit	7,219	-
Group relief	(18,968)	(17,780)
Permanent capital allowances in excess of depreciation	13,602	10,281
Under/(over) provided in prior years	128	(158)
	<u>195,775</u>	<u>123,744</u>

10 Dividends

	2021 £	2020 £
Interim paid	<u>132,000</u>	<u>103,285</u>

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

	Freehold buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2020	7,156,002	837,062	7,993,064
Additions	4,817	126,242	131,059
At 31 March 2021	7,160,819	963,304	8,124,123
Depreciation and impairment			
At 1 April 2020	621,190	637,564	1,258,754
Depreciation charged in the year	71,587	40,252	111,839
At 31 March 2021	692,777	677,816	1,370,593
Carrying amount			
At 31 March 2021	6,468,042	285,488	6,753,530
At 31 March 2020	6,534,812	199,498	6,734,310

12 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	199,548	196,200
Amounts owed by group undertakings	2,959,622	3,391,759
Other debtors	11,252	469
Prepayments and accrued income	26,760	15,710
	3,197,182	3,604,138

13 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	15	221,205	329,726
Trade creditors		163,261	148,524
Amounts due to group undertakings		12,000	10,000
Corporation tax		176,929	120,929
Other taxation and social security		53,674	46,794
Other creditors		72,922	637,096
Accruals and deferred income		264,724	277,931
		964,715	1,571,000

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	15	3,674,010	3,533,322

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	2,236,668
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15 Loans and overdrafts

	2021 £	2020 £
Bank loans	3,895,215	3,863,048
Payable within one year	221,205	329,726
Payable after one year	3,674,010	3,533,322

The bank loans were refinanced in the year and are secured by a legal charge over the freehold Sycamore Lodge property of SLW Limited and the freehold property of SLW (Thornbury) Limited, a fellow subsidiary. In addition there is a cross guarantee from SLW (Holdings) Limited, Derwent Manor Limited and SLW (Thornbury) Limited. The loan is repayable in monthly instalments, with interest at 2.5% per annum.

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	170,018	151,299
Movements in the year:		2021 £
Liability at 1 April 2020		151,299
Charge to profit or loss		18,719
Liability at 31 March 2021		170,018

SLW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	52,744	43,737

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.

18 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	200,000	200,000	200,000	200,000

19 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts owed by related parties		
Fellow subsidiaries not wholly owned	822,679	631,078

The company has taken advantage of the exemption available in Section 33: Related Party Disclosures not to disclose transactions entered into between two or more wholly owned members of a group.

20 Directors' transactions

At the reporting date amounts of £5,280 (2020 - £nil) were due from directors. There is no interest charged and no set repayment date.

21 Ultimate controlling party

The ultimate parent company is SLW (Holdings) Limited, a company incorporated in England & Wales.

In the opinion of the directors, LA Wrouth and S Wrouth are the joint controlling party by virtue of their interest in the issued share capital of SLW (Holdings) Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.