

**PERSONA CARE AND SUPPORT LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
31 MARCH 2020**



PERSONA CARE AND SUPPORT LIMITED

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PERSONA CARE AND SUPPORT LIMITED

COMPANY INFORMATION

Chairman S H McCombe

Directors B F Noble
K E Sowden
T M Phillips
A M Beaumont
D Pope

Company secretary B F Noble

Registered office Grundy
Wellington Road
Bury
Lancashire
BL9 9AH

Auditors Horsfield & Smith
Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

PERSONA CARE AND SUPPORT LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2020

The directors present their strategic report for the year ended 31 March 2020.

The company was incorporated on 10th August 2015 and commenced trading on 1st October 2015. It is a local authority trading company established by the Council of the Metropolitan Borough of Bury (Bury MBC) to provide social care services on the Council's behalf.

Principal activity

The principal activity of the company is the provision of social care services to older people and people with disabilities.

Purpose

The purpose of the company is to support people to live their best lives. A key principle of the organisation is to provide support which is tailor made to individual's needs.

The business priorities are:

- Maintaining high quality, efficient services;
- Building effective governance; and
- Developing and growing our business.

Fair review of the business

The directors are satisfied with the results of the company. The company has met its obligation to provide the required service and has returned a surplus in the first four and a half years of trading.

The strategic direction of the company is growth and service development. The business plan has three main strands:

- Developing existing services for a wider audience;
- Review and redesign of services in the medium to long term; and
- Developing a strategic partnership with Bury Council to support them to best meet the needs of the population.

Principal risks and uncertainties

The directors are responsible for reviewing the principal areas of risk and uncertainty so that major risks can be identified and mitigating action taken.

The directors meet on a regular basis to review company performance, discuss good practice and agree improvement measures.

The review of performance incorporates a performance dashboard which highlights the current position and trends in the areas of operations, people, health and safety and finance.

The company is subject to the general risk and uncertainties of changes in general economic conditions. The risks relating to the particular sector include employment regulations, data protection, freedom of information, quality assurance, safeguarding, non-discrimination, equal opportunities and health and safety. Not all the factors are within the directors' control.

PERSONA CARE AND SUPPORT LIMITED

STRATEGIC REPORT YEAR ENDED 31 MARCH 2020

The principal risks and uncertainties affecting the company are:

1) Covid 19 pandemic

The Covid 19 pandemic started to impact in March 2020 when lockdown was introduced. A number of services were reconfigured with building based day services substantially ceasing in their existing format being replaced by home visits and telephone support as appropriate. Staff who were able to work remotely started homeworking but due to the nature of the services provided the majority of staff continued to work in services. No staff have been furloughed during the pandemic. Bury MBC confirmed that funding for services would continue at existing levels until June 2020 with previously agreed contract price changes being implemented in July 2020. Operating restrictions have resulted in a reduction in non Council contract income but this has been offset to an extent by additional Covid 19 related services provided to the Council. Increased operational costs resulting from Covid 19 have largely been offset by infection control grants and government reimbursement of additional PPE costs.

Uncertainty about the length and severity of the ongoing pandemic make forecasting challenging but confirmation of the contract with Bury MBC, which provides the majority of Persona's income, to March 2021 and the good cash position at the start of the pandemic provide a degree of reassurance with regard to financial viability.

2) Council funding

The initial contract with Bury MBC is for a period of up to five years. The Council has confirmed that the contract will continue to 31 March 2021. A reduction in contract price for the year 2020/21 was agreed in March 2020 and whilst the timing of the implementation of this reduction has changed due to Covid 19 it is still expected that the reduction will be fully implemented. The Council has indicated that it would wish to enter into a ten year contract with Persona for services starting 1 April 2021 and development of a contract has commenced. There is no assurance that Council funding will remain the same or continue at the same level in the future.

3) Funding pension liabilities

The company is a member of the Greater Manchester Pension Fund (GMPF). The directors have been unable to separately identify the liabilities of the scheme attributable to the company. The company's share of the Fund deficit is reported on the balance sheet in line with the requirements of FRS102. The company monitors and reviews the pension scheme deficit and implements changes to the employer's contribution rate as determined by the fund's periodic actuarial valuation.

Approved by the Board on 28 September 2020 and signed on its behalf by:



.....
B F Noblett
Company secretary and director

PERSONA CARE AND SUPPORT LIMITED

DIRECTORS' REPORT YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors of the company

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

S H McCombe - Chairman

B F Noblett - Company secretary and director

K E Sowden

T M Phillips

A M Beaumont

D Pope

Objectives and policies

A review of the company's objectives and policies is provided in the strategic report.

Employment of disabled persons

The company operates an Equal Opportunities Policy in respect of the recruitment of employees. It gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The company has established a Staff Director as part of its Board. It also has an Employee Forum which is used to test ideas, involve employees in developing areas of the business and sharing information. The company has a number of established employee involvement mechanisms including a digital staff survey and recognition platform, newsletters, social media pages and an intranet containing relevant information and updates.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

PERSONA CARE AND SUPPORT LIMITED

DIRECTORS' REPORT YEAR ENDED 31 MARCH 2020

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 apply them consistently;
- make judgements and accounting 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; 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.

Approved by the Board on 28 September 2020 and signed on its behalf by:



.....
B F Noblett
Company secretary and director



PERSONA CARE AND SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

PERSONA CARE AND SUPPORT LIMITED

Opinion

We have audited the financial statements of Persona Care and Support Limited (the 'company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



PERSONA CARE AND SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

PERSONA CARE AND SUPPORT LIMITED

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], 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.



PERSONA CARE AND SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

PERSONA CARE AND SUPPORT LIMITED

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.

.....
Peter Nicol Bsc FCA (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

28 September 2020

PERSONA CARE AND SUPPORT LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	3	13,686,942	12,521,852
Cost of sales		<u>(10,610,516)</u>	<u>(9,088,035)</u>
Gross profit		3,076,426	3,433,817
Administrative expenses		<u>(2,468,469)</u>	<u>(2,794,982)</u>
Operating profit	4	<u>607,957</u>	<u>638,835</u>
Other interest receivable and similar income	5	<u>19,169</u>	<u>9,343</u>
		<u>19,169</u>	<u>9,343</u>
Profit before tax		627,126	648,178
Taxation	8	<u>(115,305)</u>	<u>(127,339)</u>
Profit for the financial year		<u><u>511,821</u></u>	<u><u>520,839</u></u>

The above results were derived from continuing operations.

PERSONA CARE AND SUPPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Profit for the year	511,821	520,839
Remeasurement gain/loss on defined benefit pension schemes	<u>4,943,000</u>	<u>(3,570,000)</u>
Total comprehensive income for the year	<u><u>5,454,821</u></u>	<u><u>(3,049,161)</u></u>

The notes on pages 13 to 26 form an integral part of these financial statements.

PERSONA CARE AND SUPPORT LIMITED

BALANCE SHEET 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	9	72,320	85,471
Tangible assets	10	<u>117,046</u>	<u>94,328</u>
		<u>189,366</u>	<u>179,799</u>
Current assets			
Debtors	11	491,190	515,429
Cash at bank and in hand	12	<u>2,626,190</u>	<u>2,047,702</u>
		3,117,380	2,563,131
Creditors: Amounts falling due within one year	13	<u>(1,778,434)</u>	<u>(1,521,534)</u>
Net current assets		<u>1,338,946</u>	<u>1,041,597</u>
Total assets less current liabilities		1,528,312	1,221,396
Provisions for liabilities	14	<u>(8,193)</u>	<u>(13,098)</u>
Net assets excluding pension asset/(liability)		1,520,119	1,208,298
Defined benefit obligation	15	<u>(4,588,000)</u>	<u>(9,531,000)</u>
Net liabilities		<u><u>(3,067,881)</u></u>	<u><u>(8,322,702)</u></u>
Capital and reserves			
Called up share capital	16	1	1
Pension reserve	17	(4,588,000)	(9,531,000)
Profit and loss account	17	<u>1,520,118</u>	<u>1,208,297</u>
Total equity		<u><u>(3,067,881)</u></u>	<u><u>(8,322,702)</u></u>

Company Registration Number: 09725580

Approved and authorised by the Board on 28 September 2020 and signed on its behalf by:



.....
B F Noblett
Company secretary and director

The notes on pages 13 to 26 form an integral part of these financial statements.

PERSONA CARE AND SUPPORT LIMITED

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2020

	Share capital £	Pension reserve £	Profit and loss account £	Total £
At 1 April 2019	1	(9,531,000)	1,208,297	(8,322,702)
Profit for the year	-	-	511,821	511,821
Other comprehensive income	-	4,943,000	-	4,943,000
Total comprehensive income	-	4,943,000	511,821	5,454,821
Dividends	-	-	(200,000)	(200,000)
At 31 March 2020	1	(4,588,000)	1,520,118	(3,067,881)
	Share capital £	Pension reserve £	Profit and loss account £	Total £
At 1 April 2018	1	(5,961,000)	687,458	(5,273,541)
Profit for the year	-	-	520,839	520,839
Other comprehensive income	-	(3,570,000)	-	(3,570,000)
Total comprehensive income	-	(3,570,000)	520,839	(3,049,161)
At 31 March 2019	1	(9,531,000)	1,208,297	(8,322,702)

The notes on pages 13 to 26 form an integral part of these financial statements.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Grundy
Wellington Road
Bury
Lancashire
BL9 9AH

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that, as disclosed in the accounting policies, certain items are shown at fair value.

The financial statements are presented in Sterling (£).

Summary of disclosure exemptions

The company has taken advantage of the exemptions in FRS102 1.12(b) (not to prepare a cashflow statement) and 33.1A (not to disclose transactions with Persona Group Limited or the Council of the Metropolitan Borough of Bury) on the basis that it is a wholly own subsidiary.

Name of parent of group

These financial statements are consolidated in the financial statements of the Council of the Metropolitan Borough of Bury.

The financial statements of the Council of the Metropolitan Borough of Bury may be obtained from

Town Hall
Knowsley Street
Bury
BL9 0SW.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

Going concern

The company has adopted the going concern basis in preparing its financial statements. The directors have a reasonable expectation that the company has adequate resources and future cashflows to continue in operational existence for a period which exceeds twelve months from the signing of these accounts. In making this decision the directors have considered ongoing negotiations with respect to the core contract and the impact of the Covid 19 pandemic on the company's expenses and income streams.

Judgements

There are no judgements that would cause a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The directors make estimates concerning the future. At the reporting date the estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

i) Provision for doubtful debts

A provision is made for trade debts that may not be recoverable. The provision requires management's best estimate of the likely recoverability of each debt based on historic trends and the management's judgement.

ii) Defined contribution pension scheme

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management engage independent actuaries to estimate these factors in determining the net pension obligation in the balance sheet.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax where this is recoverable.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the company has a legally enforceable right to set off current tax assets against current tax liabilities.

Tangible assets

The company does not recognise a value for the tangible assets that comprise the furniture, fixtures and fittings available for use by the company and transferred to the company from the Council of the Metropolitan Borough of Bury (Bury MBC) on 1st October 2015. These assets were transferred at nil value and the lease agreement specifies that these assets are to be returned to Bury MBC at the earlier of the end of their useful life or the lease term, at nil value.

Tangible assets purchased subsequently are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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:

Asset class	Depreciation method and rate
Property alterations	20 years straight line
Furniture, fittings and equipment	10 years straight line
ICT equipment	4 years straight line

Intangible assets

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

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 10 years

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 change in value.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price, less provision for impairment. A provision for the impairment of trade debtors 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 creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Leases and other rentals

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

Other rentals are expensed as incurred.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company operates a defined contribution plan for employees whose service commenced after 1st October 2015. The assets of the plan are held separately from the company in independently administered funds. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

Defined benefit pension obligation

The company operates a defined benefit scheme for employees who retain protected employment rights prior to 1st October 2015. The scheme is a multi-employer plan defined benefit scheme.

The liability recognised in the balance sheet in respect of the defined benefit scheme is the present value of the defined benefit obligation at the reporting date less the fair value of the scheme assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future cashflows discounted at a market rate of interest. Such instruments are subsequently measured at amortised cost using the effective interest method.

Other financial assets and liabilities that are not basic financial instruments are initially measured at fair value, which is normally the transaction price. Such instruments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except where the fair values cannot be measured reliably, when the instrument is measured at cost less impairment.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when:

- a) the contractual rights to the cash flows from the financial asset expire or are settled; or
- b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

3 Revenue

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

	2020	2019
	£	£
Rendering of services	13,418,759	12,210,792
Other revenue	268,183	311,060
	<u>13,686,942</u>	<u>12,521,852</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	19,728	13,747
Amortisation expense	<u>13,151</u>	<u>13,151</u>

5 Other interest receivable and similar income

	2020	2019
	£	£
Interest income on bank deposits	<u>19,169</u>	<u>9,343</u>

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

6 Staff costs

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

	2020	2019
	£	£
Wages and salaries	9,046,183	7,811,035
Social security costs	709,988	587,590
Pension costs, defined contribution scheme	152,149	68,117
Pension costs, defined benefit scheme	1,015,762	1,009,566
Other employee expense	134,401	365,663
	<u>11,058,483</u>	<u>9,841,971</u>

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

	2020	2019
	No.	No.
Directors	6	7
Administration and support	23	19
Care services	395	398
	<u>424</u>	<u>424</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	191,261	263,776
Contributions paid to money purchase schemes	5,004	4,679
Contributions paid to defined benefit scheme	19,194	29,447
	<u>215,459</u>	<u>297,902</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020	2019
	No.	No.
Accruing benefits under defined benefit pension scheme	2	2
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

8 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	120,143	127,339
UK corporation tax adjustment to prior periods	67	-
	<u>120,210</u>	<u>127,339</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(4,905)	-
Tax expense in the income statement	<u>115,305</u>	<u>127,339</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>627,126</u>	<u>648,178</u>
Corporation tax at standard rate	119,154	123,154
Effect of expense not deductible in determining taxable profit	280	-
Tax difference from a prior period	67	-
Tax effect of capital allowances and depreciation	(6,781)	4,185
Other tax effects	<u>2,585</u>	<u>-</u>
Total tax charge	<u>115,305</u>	<u>127,339</u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2020	
Accelerated capital allowances	<u>8,193</u>

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

9 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2019	131,500	131,500
At 31 March 2020	131,500	131,500
Amortisation		
At 1 April 2019	46,029	46,029
Amortisation charge	13,151	13,151
At 31 March 2020	59,180	59,180
Carrying amount		
At 31 March 2020	72,320	72,320
At 31 March 2019	85,471	85,471

10 Tangible assets

	Leasehold property alterations £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2019	19,924	94,689	114,613
Additions	-	42,447	42,447
At 31 March 2020	19,924	137,136	157,060
Depreciation			
At 1 April 2019	498	19,787	20,285
Charge for the year	996	18,733	19,729
At 31 March 2020	1,494	38,520	40,014
Carrying amount			
At 31 March 2020	18,430	98,616	117,046
At 31 March 2019	19,426	74,902	94,328

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

11 Debtors

	2020 £	2019 £
Trade debtors	317,123	269,161
Amounts owed by related parties	49,561	113,901
Other debtors	124,506	132,367
	<u>491,190</u>	<u>515,429</u>

12 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	3,650	3,827
Cash at bank	2,622,540	2,043,875
	<u>2,626,190</u>	<u>2,047,702</u>

13 Creditors

	2020 £	2019 £
Due within one year		
Trade creditors	9,877	1,588
Social security and other taxes	196,250	181,712
Other payables	1,452,164	1,210,895
Corporation tax liability	120,143	127,339
	<u>1,778,434</u>	<u>1,521,534</u>

14 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2019	13,098	13,098
Increase (decrease) in existing provisions	(4,905)	(4,905)
At 31 March 2020	<u>8,193</u>	<u>8,193</u>

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

15 Pension and other schemes

The company employees participate in one of two pension schemes:

The Peoples Pension for new employees which is a defined contribution scheme.

The Greater Manchester Pension Scheme for employees who retain protected employment rights prior to 1st October 2015. The scheme is a multi-employer defined benefit scheme managed by Tameside Borough Council.

Defined contribution pension scheme

The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £152,149 (2019 - £68,117).

Defined benefit pension schemes

Greater Manchester Pension Fund

The scheme is a funded defined-benefit plan, with the assets held in separate funds administered by Tameside Local Authority on behalf of the Greater Manchester Pension Fund.

The date of the most recent comprehensive actuarial valuation was 15 April 2020. The last actuarial valuation was as at 31st March 2017.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2020 £	2019 £
Fair value of scheme assets	29,863,000	32,804,000
Present value of defined benefit obligation	(34,451,000)	(42,335,000)
Defined benefit pension scheme deficit	<u>(4,588,000)</u>	<u>(9,531,000)</u>

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2020 £
Present value at start of year	42,335,000
Current service cost	2,025,000
Past service cost	46,000
Interest cost	1,042,000
Benefits paid	(349,000)
Contributions by scheme participants	288,000
Remeasurements	<u>(10,936,000)</u>
Present value at end of year	<u>34,451,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £
Fair value at start of year	32,804,000
Interest income	799,000
Employer contributions	934,000
Contributions by scheme participants	288,000
Benefits paid	(349,000)
Remeasurement	<u>(4,613,000)</u>
Fair value at end of year	<u>29,863,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2020	2019
	%	%
Mortality rate	1.50	1.25
Discount rate	2.30	2.40
Future salary increases	2.60	3.30
Future pension increases	<u>1.80</u>	<u>2.50</u>

Post retirement mortality assumptions

	2020	2019
	Years	Years
Current UK pensioners at retirement age - male	21	22
Current UK pensioners at retirement age - female	23	24
Future UK pensioners at retirement age - male	22	24
Future UK pensioners at retirement age - female	<u>25</u>	<u>26</u>

16 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

17 Reserves

Share capital

Share capital represents the nominal value of shares that have been issued.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Pension reserve

The pension reserve represents the calculated deficit or surplus attributable to the defined benefit pension scheme.

PERSONA CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Later than one year and not later than five years	<u>217,300</u>	<u>217,300</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £217,300 (2019 - £217,300).

19 Dividends

Interim dividends paid

	2020	2019
	£	£
Interim dividend of £200,000 (2019 - £Nil) per each Ordinary shares of £1 each	<u>200,000</u>	<u>-</u>

20 Parent and ultimate parent undertaking

The company's immediate parent is Persona Group Limited, incorporated in England and Wales.

The ultimate parent is the Council of the Metropolitan Borough of Bury.