

# **New Directions (St Leonards on Sea) Limited**

**Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2017**

**Registration number: 06339063**

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# **New Directions (St Leonards on Sea) Limited**

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# **New Directions (St Leonards on Sea) Limited**

## **Company Information**

|                          |                                                         |
|--------------------------|---------------------------------------------------------|
| <b>Directors</b>         | David Hall                                              |
|                          | Trevor Torrington                                       |
|                          | Nigel Myers                                             |
| <b>Company secretary</b> | David Hall                                              |
| <b>Registered office</b> | Fifth Floor<br>80 Hammersmith Road<br>London<br>W14 8UD |

## **New Directions (St Leonards on Sea) Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

#### **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.

*The company is focussed on the social care sector and the performance of the company can be impacted by external factors. The principal factors are changes in the UK government's policy towards outsourcing of care, changes in the regulatory regime and competitive threats from other independent providers. 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.*

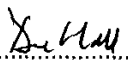
The company's management is satisfied with the performance for the year, and is committed to a continued growth strategy.

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 Priory Group UK 1 Limited (formerly 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 Priory Group UK 1 Limited (formerly 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 31 July 2018 and signed on its behalf by:

  
.....

David Hall  
Company secretary and director

## **New Directions (St Leonards on Sea) Limited**

### **Directors' Report for the Year Ended 31 December 2017**

The directors present their report and the unaudited financial statements for the year ended 31 December 2017.

#### **Principal activity**

The principal activity of the company is the delivery of care for those with a variety of learning difficulties and mental health issues, in both the care home setting and supported living environment.

#### **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:

David Hall - Company secretary and director

Trevor Torrington

Nigel Myers

#### **Dividends**

The directors do not recommend the payment of a final dividend (2016: £nil). No dividends were paid during the year (2016: £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 Priory Group UK 1 Limited (formerly 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 Priory Group UK 1 Limited (formerly 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.

## **New Directions (St Leonards on Sea) Limited**

### **Directors' Report for the Year Ended 31 December 2017 (continued)**

#### **Going concern**

The intermediate parent company, Priory Group UK 1 Limited (formerly 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 31 July 2018 and signed on its behalf by:



.....  
David Hall  
Company secretary and director

## **New Directions (St Leonards on Sea) 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.

## **New Directions (St Leonards on Sea) Limited**

### **Profit and Loss Account for the Year Ended 31 December 2017**

|                                      | <b>Note</b> | <b>2017<br/>£ 000</b> | <b>2016<br/>£ 000</b> |
|--------------------------------------|-------------|-----------------------|-----------------------|
| Turnover                             | 4           | 439                   | 439                   |
| Cost of sales                        |             | <u>(345)</u>          | <u>(349)</u>          |
| Gross profit                         |             | 94                    | 90                    |
| Administrative expenses              |             | <u>(30)</u>           | <u>(33)</u>           |
| Operating profit                     | 5           | <u>64</u>             | <u>57</u>             |
| Profit before tax                    |             | 64                    | 57                    |
| Tax on profit on ordinary activities | 8           | <u>(14)</u>           | <u>(8)</u>            |
| Profit for the year                  |             | <u><u>50</u></u>      | <u><u>49</u></u>      |

The above results were derived from continuing operations.

The notes on pages 10 to 19 form an integral part of these financial statements.

## **New Directions (St Leonards on Sea) Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2017**

|                                         | <b>Note</b> | <b>2017<br/>£ 000</b> | <b>2016<br/>£ 000</b> |
|-----------------------------------------|-------------|-----------------------|-----------------------|
| Profit for the year                     |             | <u>50</u>             | <u>49</u>             |
| Total comprehensive income for the year |             | <u>50</u>             | <u>49</u>             |

The notes on pages 10 to 19 form an integral part of these financial statements.

## New Directions (St Leonards on Sea) Limited

(Registration number: 06339063)

### Balance Sheet as at 31 December 2017

|                                                       | Note | 2017<br>£ 000 | 2016<br>£ 000 |
|-------------------------------------------------------|------|---------------|---------------|
| <b>Fixed assets</b>                                   |      |               |               |
| Tangible assets                                       | 9    | 269           | 278           |
| <b>Current assets</b>                                 |      |               |               |
| Stocks                                                | 10   | -             | 1             |
| Debtors                                               | 11   | 5             | 3             |
| Cash at bank and in hand                              |      | 4             | 2             |
|                                                       |      | 9             | 6             |
| <b>Creditors: Amounts falling due within one year</b> | 12   | (69)          | (125)         |
| <b>Net current liabilities</b>                        |      | (60)          | (119)         |
| <b>Net assets</b>                                     |      | 209           | 159           |
| <b>Capital and reserves</b>                           |      |               |               |
| Called up share capital                               | 13   | -             | -             |
| Profit and loss account                               |      | 209           | 159           |
| Shareholders' funds                                   |      | 209           | 159           |

For the financial year ending 31 December 2017 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 31 July 2018 and signed on its behalf by:



Nigel Myers  
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

## New Directions (St Leonards on Sea) Limited

### Statement of Changes in Equity for the Year Ended 31 December 2017

|                            | Share capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|----------------------------|------------------------|-------------------------------|----------------|
| At 1 January 2017          | -                      | 159                           | 159            |
| Profit for the year        | -                      | 50                            | 50             |
| Total comprehensive income | -                      | 50                            | 50             |
| At 31 December 2017        | -                      | 209                           | 209            |

|                            | Share capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|----------------------------|------------------------|-------------------------------|----------------|
| At 1 January 2016          | -                      | 110                           | 110            |
| Profit for the year        | -                      | 49                            | 49             |
| Total comprehensive income | -                      | 49                            | 49             |
| At 31 December 2016        | -                      | 159                           | 159            |

The notes on pages 10 to 19 form an integral part of these financial statements.

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017**

#### **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 31 July 2018.

#### **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 15 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).

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Going concern**

The financial statements have been prepared on a going concern basis. The intermediate parent company, Priory Group UK 1 Limited (formerly 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 2017 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.

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (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 |

##### **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.

##### **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.

##### **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.

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (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>2017</b>  | <b>2016</b>  |
|-----------------------|--------------|--------------|
|                       | <b>£ 000</b> | <b>£ 000</b> |
| Rendering of services | <u>439</u>   | <u>439</u>   |

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

#### **5 Operating profit**

Arrived at after charging/(crediting)

|                      | <b>2017</b>  | <b>2016</b>  |
|----------------------|--------------|--------------|
|                      | <b>£ 000</b> | <b>£ 000</b> |
| Depreciation expense | <u>18</u>    | <u>24</u>    |

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **6 Staff costs**

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

|                                            | <b>2017</b><br><b>£ 000</b> | <b>2016</b><br><b>£ 000</b> |
|--------------------------------------------|-----------------------------|-----------------------------|
| Wages and salaries                         | 257                         | 252                         |
| Social security costs                      | 18                          | 17                          |
| Pension costs, defined contribution scheme | <u>2</u>                    | <u>2</u>                    |
|                                            | <u>277</u>                  | <u>271</u>                  |

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

|                   | <b>2017</b><br><b>No.</b> | <b>2016</b><br><b>No.</b> |
|-------------------|---------------------------|---------------------------|
| Other departments | <u>15</u>                 | <u>14</u>                 |

#### **7 Directors' remuneration**

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. No amounts (2016: £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.

#### **8 Income tax**

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

|                                                                | <b>2017</b><br><b>£ 000</b> | <b>2016</b><br><b>£ 000</b> |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Current taxation</b>                                        |                             |                             |
| UK corporation tax                                             | 14                          | 11                          |
| <b>Deferred taxation</b>                                       |                             |                             |
| Arising from origination and reversal of temporary differences | <u>-</u>                    | <u>(3)</u>                  |
| Tax expense in the profit and loss account                     | <u>14</u>                   | <u>8</u>                    |

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

## New Directions (St Leonards on Sea) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)

#### 8 Income tax (continued)

|                                                                                                     | 2017<br>£ 000 | 2016<br>£ 000 |
|-----------------------------------------------------------------------------------------------------|---------------|---------------|
| Profit before tax                                                                                   | <u>64</u>     | <u>57</u>     |
| Corporation tax at standard rate                                                                    | 12            | 11            |
| Increase (decrease) in current tax from adjustment for prior periods                                | -             | (1)           |
| Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss) | 2             | 3             |
| Increase (decrease) from transfer pricing adjustments                                               | -             | (2)           |
| Deferred tax expense (credit) from unrecognised temporary difference from a prior period            | <u>-</u>      | <u>(3)</u>    |
| Total tax charge                                                                                    | <u>14</u>     | <u>8</u>      |

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 19.25% (2016: 20%).

The main rate of corporation tax was 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%.

#### Deferred tax

Deferred tax assets and liabilities

|                              | Asset<br>£ 000 | Liability<br>£ 000 | Net deferred<br>tax<br>£ 000 |
|------------------------------|----------------|--------------------|------------------------------|
| <b>2017</b>                  |                |                    |                              |
| Accelerated tax depreciation | <u>2</u>       | <u>1</u>           | <u>2</u>                     |
| <b>2016</b>                  |                |                    | <b>Asset<br/>£ 000</b>       |
| Accelerated tax depreciation |                |                    | <u>2</u>                     |

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **8 Income tax (continued)**

Deferred tax movement during the year:

|                              | <b>At 1 January<br/>2017<br/>£ 000</b> | <b>At<br/>31 December<br/>2017<br/>£ 000</b> |
|------------------------------|----------------------------------------|----------------------------------------------|
| Accelerated tax depreciation | <u>2</u>                               | <u>2</u>                                     |

Deferred tax movement during the prior year:

|                              | <b>At 1 January<br/>2016<br/>£ 000</b> | <b>Recognised in<br/>income<br/>£ 000</b> | <b>At<br/>31 December<br/>2016<br/>£ 000</b> |
|------------------------------|----------------------------------------|-------------------------------------------|----------------------------------------------|
| Accelerated tax depreciation | <u>(1)</u>                             | <u>3</u>                                  | <u>2</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.

## New Directions (St Leonards on Sea) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)

#### 9 Tangible assets

|                          | Land and<br>buildings<br>£ 000 | Furniture,<br>fittings and<br>equipment<br>£ 000 | Motor<br>vehicles<br>£ 000 | Total<br>£ 000 |
|--------------------------|--------------------------------|--------------------------------------------------|----------------------------|----------------|
| <b>Cost or valuation</b> |                                |                                                  |                            |                |
| At 1 January 2017        | 268                            | 160                                              | 11                         | 439            |
| Additions                | -                              | 9                                                | -                          | 9              |
| Disposals                | -                              | (8)                                              | -                          | (8)            |
| At 31 December 2017      | <u>268</u>                     | <u>161</u>                                       | <u>11</u>                  | <u>440</u>     |
| <b>Depreciation</b>      |                                |                                                  |                            |                |
| At 1 January 2017        | 33                             | 117                                              | 11                         | 161            |
| Charge for the year      | 4                              | 14                                               | -                          | 18             |
| Eliminated on disposal   | -                              | (8)                                              | -                          | (8)            |
| At 31 December 2017      | <u>37</u>                      | <u>123</u>                                       | <u>11</u>                  | <u>171</u>     |
| <b>Carrying amount</b>   |                                |                                                  |                            |                |
| At 31 December 2017      | <u>231</u>                     | <u>38</u>                                        | <u>-</u>                   | <u>269</u>     |
| At 31 December 2016      | <u>235</u>                     | <u>43</u>                                        | <u>-</u>                   | <u>278</u>     |

#### 10 Stock

|                               | 2017<br>£ 000 | 2016<br>£ 000 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | <u>-</u>      | <u>1</u>      |

#### 11 Trade and other debtors

|                                       | 2017<br>£ 000 | 2016<br>£ 000 |
|---------------------------------------|---------------|---------------|
| Prepayments                           | 1             | -             |
| Other debtors                         | 2             | 1             |
| Deferred tax assets                   | <u>2</u>      | <u>2</u>      |
| Total current trade and other debtors | <u>5</u>      | <u>3</u>      |

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)**

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

|                                                | <b>2017</b>  | <b>2016</b>  |
|------------------------------------------------|--------------|--------------|
|                                                | <b>£ 000</b> | <b>£ 000</b> |
| Accrued expenses                               | 15           | 18           |
| Amounts due to group undertakings              | 35           | 83           |
| Social security and other taxes                | 5            | 3            |
| Outstanding defined contribution pension costs | -            | 1            |
| Other creditors                                | -            | 9            |
| Income tax liability                           | 14           | 11           |
|                                                | <u>69</u>    | <u>125</u>   |

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

#### **13 Share capital**

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

|                            | <b>No. 000</b> | <b>2017</b>  | <b>No. 000</b> | <b>2016</b>  |
|----------------------------|----------------|--------------|----------------|--------------|
|                            |                | <b>£ 000</b> |                | <b>£ 000</b> |
| Ordinary shares of £1 each | <u>-</u>       | <u>-</u>     | <u>-</u>       | <u>-</u>     |

#### **14 Commitments**

##### **Capital commitments**

The total amount contracted for but not provided in the financial statements was £Nil (2016 - £1,000).

## **New Directions (St Leonards on Sea) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **15 Parent and ultimate parent undertaking**

The company's immediate parent is Parkcare Homes (No.2) 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 Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited) incorporated in the United Kingdom. The address of Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited) is Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.