

Registration number: 03894588

Children First Fostering Agency Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2022

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Children First Fostering Agency Limited

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Children First Fostering Agency Limited

Company Information

Directors	D J Leatherbarrow
	J-L Janet
	S J Christie
	R D Edwards
Company secretary	A Bennett
Registered office	Atria
	Spa Road
	Bolton
	BL1 4AG
Independent Auditors	KPMG LLP
	Chartered Accountants
	Quayside
	110 Quayside
	Newcastle Upon Tyne NE1 3DX

Children First Fostering Agency Limited

Directors' Report for the Year Ended 31 August 2022

The directors present their report and the audited financial statements for the year ended 31 August 2022. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006, including the exemption from preparing a strategic report.

Directors of the company

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

D J Leatherbarrow

J-L Janet

S J Christie

R J Cooke (resigned 22 December 2022)

The following director was appointed after the year end:

R D Edwards (appointed 22 December 2022)

The Company purchased qualifying third party indemnity arrangements for the benefit of all its Directors and which were in force throughout the year and remain in force.

Principal activities

The company is an independent fostering agency which provides care for looked after children through a network of carers across the country. The company is part of the SSCP Spring Topco Limited Group ("Group"). The Group provides a choice of education and care for young people through a network of schools, residential care homes and a national network of fostering agencies.

The Group's vision is to build incredible futures by empowering vulnerable children and young adults in the UK to be happy and make their way in the world.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 August 2022 (2021: Nil).

Employees and employment policies

The company has a policy of involving employees at all levels and keeping them informed through regular briefing sessions conducted by senior management, an annual conference and a staff engagement survey.

The company follows an employment policy of non-discrimination on the grounds of sex, race or age and gives full consideration to the employment of disabled persons.

The company is committed to all employees and will make every effort to accommodate staff that are disabled or suffer illness during the course of their employment.

Stakeholder relations

A strong emphasis is placed on developing sustainable and strategic relationship with external stakeholders, namely the Group's customers and suppliers and the Group believe this is an integral part of supporting long-term growth.

The board of directors' intention is to behave responsibly towards all stakeholders and ensure that management operates with high standards of business conduct and good governance and in doing so, continue the delivery of high quality, long-term sustainable and reliable growth of our services.

Future developments

Demand for fostering placements remains strong with a general shortage of foster carers in England, Wales and Scotland. The company's future growth is therefore dependent on its ability to increase its foster carer base and to train foster carers to continue providing a high quality of service and support to some of the most vulnerable young people. The Group will therefore continue to invest in the recruitment, retention and ongoing training of foster carers to ensure all carers are best equipped to provide a quality service to young people in their care.

Children First Fostering Agency Limited

Directors' Report for the Year Ended 31 August 2022 (continued)

Going concern

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the year ending 31 August 2022 the Group generated strong cash flows and held a group cash balance of £25.1m at 31 August 2022 and continues to have a positive group cash balance as at 30 April 2023, amounting to £25.5m. During the year, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

The company has received confirmation from its parent undertaking, SSCP Spring Topco Limited, that it will provide such support as is required to allow the company to pay its debts as they fall due for a period of at least one year from the date of signing these financial statements. On this basis, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Small companies exemption

The company has taken advantage of the small companies exemption under Part 15 of the Companies Act 2006 in preparing this report, including the exemption from preparing a strategic report.

Children First Fostering Agency Limited

Directors' Report for the Year Ended 31 August 2022 (continued)

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors' confirmations

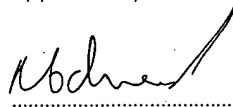
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

Reappointment of independent auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



R D Edwards
Director

30 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN FIRST FOSTERING AGENCY LIMITED

Opinion

We have audited the financial statements of Children First Fostering Agency Limited ("the company") for the year ended 31 August 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statements of Changes in Equity and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2022 and of the profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards; including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Other Matter

The financial statements of Children First Fostering Agency Limited for the year ended 31 August 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 26 May 2022.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that the management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation. These included revenue/deferred income and cash impacting journal entries posted to unusual accounts, journals posted by unusual users and journals posted to adjust EBITDA.
- For a sample of revenue transactions around the period end, vouched to supporting documentation to corroborate whether those items were recorded in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety, anti-bribery, employment law, compliance with industry specific regulators (CQC, Ofsted) and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.



Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House 110
Newcastle upon Tyne
NE1 3DX

30 May 2023

Children First Fostering Agency Limited

Statement of Comprehensive Income for the Year Ended 31 August 2022

	Note	2022 £ 000	2021 £ 000
Turnover	2	2,176	2,188
Cost of sales		<u>(1,192)</u>	<u>(1,170)</u>
Gross profit		984	1,018
Administrative expenses		<u>(850)</u>	<u>(890)</u>
Operating profit	3	<u>134</u>	<u>128</u>
Profit before taxation		134	128
Tax on profit	5	<u>(102)</u>	<u>(106)</u>
Profit and Total comprehensive income for the financial year		<u><u>32</u></u>	<u><u>22</u></u>

Turnover and operating profit derive wholly from continuing operations.

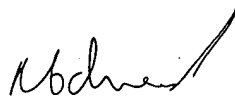
Children First Fostering Agency Limited

(Registration number: 03894588)
Balance Sheet as at 31 August 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Tangible assets	6	9	2
Current assets			
Debtors	7	6,876	7,100
Cash at bank and in hand		125	12
		<u>7,001</u>	<u>7,112</u>
Creditors: amounts falling due within one year	8	<u>(1,561)</u>	<u>(1,703)</u>
Net current assets		<u>5,440</u>	<u>5,409</u>
Total assets less current liabilities		5,449	5,411
Provisions for liabilities	10	<u>(26)</u>	<u>(20)</u>
Net assets		<u>5,423</u>	<u>5,391</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		<u>5,423</u>	<u>5,391</u>
Total equity		<u>5,423</u>	<u>5,391</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements on pages 9 to 20, were approved by the Board and signed on its behalf by:



R D Edwards
Director

30 May 2023

Children First Fostering Agency Limited

Statement of Changes in Equity for the Year Ended 31 August 2022

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2020	-	5,369	5,369
Profit for the year	-	22	22
Total comprehensive income	-	22	22
At 31 August 2021	-	5,391	5,391
	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2021	-	5,391	5,391
Profit for the year	-	32	32
Total comprehensive income	-	32	32
At 31 August 2022	-	5,423	5,423

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

Children First Fostering Agency Limited ("the company") is a private company limited by shares incorporated in England, United Kingdom.

The Registered Office is Atria, Spa Road, Bolton, BL1 4AG.

Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within this note.

The financial statements have been prepared in Sterling, which is the functional currency.

Significant accounting policies

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.

Summary of exemptions

In preparing the separate financial statements of the company, advantage has been taken of the exemption provided by FRS 102 paragraph 1.12 (b) to not prepare a cash flow statement.

In preparing the separate financial statements of the company, advantage has been taken of the exemptions provided by FRS 102 Sections 11 and 12 to provide financial instruments disclosures, including categories of financial instruments, items of income, expense, gains or losses relating to financial instruments, and exposure to and management of financial risks.

In preparing the separate financial statements of the company, advantage has been taken of the exemptions provided by FRS 102 Section 33.7 to provide aggregate remuneration of the key management personnel as their remuneration is included in the totals for the group as a whole.

Name of parent of group

These financial statements are consolidated in the financial statements of SSCP Spring Topco Limited.

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Going concern

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the year ending 31 August 2022 the Group generated strong cash flows and held a group cash balance of £25.1m at 31 August 2022 and continues to have a positive group cash balance as at 30 April 2023, amounting to £25.5m. During the year, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

The company has received confirmation from its parent undertaking, SSCP Spring Topco Limited, that it will provide such support as is required to allow the company to pay its debts as they fall due for a period of at least one year from the date of signing these financial statements. On this basis, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Critical judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements. Items in the financial statements where these judgements and estimates have been made include:

- Recoverability of amounts owed by group undertakings - The company makes an estimate of the recoverable value of amounts owed from group companies. When assessing the recoverable value, management considers the financial position and underlying performance of related undertakings within the group.
- Indicators of impairment - The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Estimates

The following are the key sources of estimation uncertainty:

- Taxation - Provisions are based on reasonable estimates based on various factors including experience and interpretation of regulations.
- Provisions - Provisions are made for dilapidations. This requires management's best estimate of the costs that will be incurred based on contractual requirements.

Turnover

Turnover represents amounts chargeable in respect of services provided during the year. Where invoices are raised and the services to which they relate have not been performed, the extent of the invoice relating to the unperformed service is carried forward as deferred income. Where services are performed during the year but the invoices relating to these services have not yet been raised, accrued income is recognised as an asset. All turnover arose within the United Kingdom.

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is recognised on the basis of the daily placements made with a full day's revenue recognised for every night a placement is with a foster carer. Revenue is measured at the fair value of the consideration received, excluding VAT and discounts.

Current and deferred tax

The tax expense for the period comprises current and deferred 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 rates and laws that have been enacted or substantively enacted by the reporting date.

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 respect of all timing differences at the reporting date. Deferred income tax is determined on an undiscounted basis using the rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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 benefits.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is provided on all tangible assets at the following rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. Freehold land is not depreciated.

Asset class

Fixtures, fittings and equipment

Depreciation method and rate

25% reducing balance

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.

Provisions for liabilities

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the discounted salary cost payable for the period of absence.

Leases

Payments made under operating leases are charged to profit and loss on a straight line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight line basis.

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Basic financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors, cash and cash equivalents, are initially recognised at transaction price. Such assets are subsequently measured at amortised cost using the effective interest rate, less provision for impairment.

Basic financial liabilities, including trade and other payables, bank loans, loan notes, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted as a market rate of interest. Such liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit or loss.

Pensions

A defined contribution scheme is operated for employees. The company pays fixed contributions to a separate entity and once contributions have been paid, the company has no further payment obligations. The contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme. The assets of the plans are held separately from the company in independently administered funds.

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.

2 Turnover

Analysis of turnover for the year from continuing operations is as follows:

	2022 £ 000	2021 £ 000
Rendering of services	<u>2,176</u>	<u>2,188</u>

Turnover is derived from the principal activity of the company wholly undertaken in the United Kingdom.

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Operating profit

Operating profit is stated after charging

	2022 £ 000	2021 £ 000
Depreciation expense	1	1
Operating lease expense	<u>28</u>	<u>32</u>

Audit fees for 2022 (£6,395) and 2021 (£5,734) were borne by another Group company without recharge.

4 Staff costs

The aggregate payroll costs were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	296	431
Social security costs	30	43
Other pension costs	<u>11</u>	<u>17</u>
	<u>337</u>	<u>491</u>

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

	2022 No.	2021 No.
Care and support staff	<u>8</u>	<u>11</u>

The directors did not receive any remuneration from the company during the year ended 31 August 2022 (2021: nil) for their services to the company. The directors were employed and their remuneration costs borne by another group company. No charge has been made to the company as in the opinion of the directors it is not possible to determine with reasonable accuracy the split by company.

5 Tax on profit

Tax charged in the statement of comprehensive income

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	107	107
Deferred taxation		
Arising from changes in tax rates and laws	-	(1)
Adjustments in respect of prior periods	<u>(5)</u>	<u>-</u>
Total deferred taxation	<u>(5)</u>	<u>(1)</u>
Tax expense in the statement of comprehensive income	<u>102</u>	<u>106</u>

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Tax on profit (continued)

Factors affecting tax charge for the year

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	134	128
Corporation tax at standard rate	25	24
Adjustment in respect of prior periods	(5)	-
Effect of expense not deductible in determining taxable profit	2	2
Deferred tax credit relating to changes in tax rates or laws	-	(1)
Tax increase from transfer pricing adjustments	80	81
Total tax charge	102	106

Factors that may affect future tax charges

Deferred tax has been calculated at 25%, reflecting the enacted rate applicable at the balance sheet date.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had been substantively enacted, which occurred on 24 May 2021, therefore, its effects are included in these financial statements.

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	Asset £ 000
At 01 September 2021	3
Adjustment in respect of prior years	5
At 31 August 2022	8

The analysis of deferred tax assets is as follows:

2022	Asset £ 000
Accelerated capital allowances	2
Short term timing differences	6
	8
2021	Asset £ 000
Accelerated capital allowances	2
Short term timing differences	1
	3

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6 Tangible assets

	Short leasehold land and buildings £ 000	Fixtures, fittings and equipment £ 000	Total £ 000
Cost			
At 1 September 2021	-	25	25
Additions	8	-	8
At 31 August 2022	8	25	33
Accumulated depreciation			
At 1 September 2021	-	23	23
Charge for the year	1	-	1
At 31 August 2022	1	23	24
Carrying amount			
At 31 August 2022	7	2	9
At 31 August 2021	-	2	2

7 Debtors

	2022 £ 000	2021 £ 000
Trade debtors	225	148
Amounts owed by group undertakings	6,580	6,913
Other debtors	43	12
Prepayments and accrued income	20	24
Deferred tax assets	8	3
Total current trade and other debtors	6,876	7,100

With the exception of deferred tax all amounts fall due within one year.

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

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Trade creditors	29	-
Amounts owed to group undertakings	1,501	1,645
Taxation and social security	1	9
Outstanding defined contribution pension costs	4	2
Other creditors	10	7
Accruals and deferred income	16	40
	<u>1,561</u>	<u>1,703</u>

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

9 Commitments under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	2022 £ 000	2021 £ 000
Not later than one year	20	32
Later than one year and not later than five years	-	24
	<u>20</u>	<u>56</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £28,258 (2021: £32,000).

10 Provisions for liabilities

	Dilapidations £ 000	Total £ 000
At 1 September 2021	20	20
Increase in existing provisions	<u>6</u>	<u>6</u>
At 31 August 2022	<u>26</u>	<u>26</u>

Dilapidations

As part of the company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises.

Children First Fostering Agency Limited

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

11 Called up share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
'A' Ordinary shares of £1 each	100	100	100	100
'B' Ordinary shares of £1 each	1	1	1	1
'C' Ordinary shares of £1 each	1	1	1	1
	<u>102</u>	<u>102</u>	<u>102</u>	<u>102</u>

The above equity shares rank pari passu in all respects.

12 Commitments

Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the schemes and amounted to £11,000 (Year ended 31 August 2021: £17,000). Commitments provided for in the financial statements amounted to £4,000 (2021: £2,000).

13 Contingent liabilities

The company has given security by way of unlimited fixed and floating charges over all of its assets to the finance parties providing banking facilities to SSCP Spring Bidco Limited (formerly known as Outcomes First Group Limited), a fellow subsidiary undertaking of the SSCP Spring Topco Limited Group.

The amount outstanding to the finance parties providing the banking facilities to SSCP Spring Bidco Limited (formerly known as Outcomes First Group Limited) at 31 August 2022 was £581.7m (2021: £581.8m).

14 Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

15 Parent and ultimate parent undertaking

The company's immediate parent is NFAP Limited, a company incorporated in England and Wales. SSCP Spring Topco Limited, a company incorporated in England and Wales, is an intermediate parent company. SSCP Spring Holdings SCA, a company incorporated in Luxembourg, owns 83.51% (2021: 83.51%) of SSCP Spring Topco Limited's equity share capital and is deemed to be the ultimate parent undertaking.

The directors consider Funds managed by Stirling Square Capital Partners Jersey AIFM Limited to be the ultimate controlling parties.

The smallest group to consolidate these financial statements is SSCP Spring Midco 2 Limited and the largest group to consolidate these financial statements is SSCP Spring Topco Limited. These consolidated financial statements are publicly available upon request from Atria, Spa Road, Bolton, BL1 4AG.