

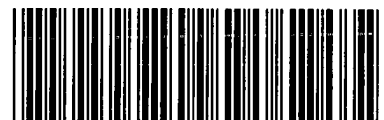
Registration number: 06909044

Options Group Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2021

TUESDAY



AB75KRGR

A09

28/06/2022

#322

COMPANIES HOUSE

Options Group Holdings Limited

Contents

Company Information	1
Strategic Report	2 to 5
Directors' Report	6 to 8
Independent Auditors' Report	9 to 12
Statement of Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16 to 26

Options Group Holdings Limited

Company Information

Directors	D J Leatherbarrow J-L Janet R J Cooke
Company secretary	C Duffy
Registered office	Atria Spa Road Bolton BL1 4AG
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road Watford Hertfordshire WD17 1JJ

Options Group Holdings Limited

Strategic Report for the Year Ended 31 August 2021

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

Principal activities

The company acts as an intermediate holding company 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 principal activity of the company is that of holding investments and financing for the Group.

Fair review of the business

Previously, the Company provided administrative, accounting and management services for other Group companies.

The results for the year ended 31 August 2021 include 12 months of trading for the company, whilst the results for the period ended 31 August 2020 include 8 months of trading. Accordingly, the current year results are not directly comparable to those of the comparative year.

Review of the business

The loss for the year, after taxation amounted to £1,337,200 (8 month period ended 31 August 2020: profit of £164,443).

As at 31 August 2021, the company was in a net liability position of £19,989,867 (31 August 2020: Net liabilities of £18,652,667).

The Company's key financial and other performance indicators during the year were as follows:

	Year ended 31 August 2021	1 January 2020 to 31 August 2020
	£	£
Turnover	-	551,233
Loss before taxation	(1,631,937)	(40,667)

A detailed business review discussing the objectives and strategy, markets and regulatory issues and risks and uncertainties pertaining to the whole group and including non-financial key performance indicators can be viewed on page 1 of the strategic report of SSCP Spring Topco Limited, which does not form part of this report.

Principal risks and uncertainties

Regulatory and legislative risks

As an education provider, the schools are registered and approved by the Department for Education ("DfE") and are subject to inspection and report by Ofsted. Periodic inspections are carried out for each school.

A Group wide Quality Committee including external members and an independent Chair, has been established to oversee the Group's Quality Assurance activities. The committee provides assurance to the Group board that appropriate governance structure, systems and processes are in place and that services are high quality and safe. The Group retains a fully resourced Quality Assurance team to review, control and rigorously audit the Group's practices and compliance procedures. The Group regularly updates its policies and procedures in order to ensure compliance with required standards.

The Group has an obligation to meet Health and Safety requirements, which it does through internal policies and procedures and through using the services of external specialist advisers where necessary.

Options Group Holdings Limited

Strategic Report for the Year Ended 31 August 2021 (continued)

Financial Risks

The company's principal financial instruments comprise trade and other debtors, cash and cash equivalents, trade and other creditors and amounts owed to/from fellow Group companies. The main risks associated with these financial assets and liabilities are set out below:

Credit risk

Given the company's receivables are owed by group undertakings, and having considered the Group liquidity risk and debt service risk, the directors do not believe that there are significant exposures arising from credit risk.

Liquidity risk

The group manages liquidity risk by budgeting and forecasting cash flows in the short to medium term and monitoring working capital positions on a monthly basis. Long term liquidity is assured through committed funding arrangements to meet foreseeable peak borrowing requirements.

Interest rate risk

During the year interest rate risk was managed through the Group finance function using hedging instruments to manage the underlying exposure to fluctuations in interest rate if required. During the year under review the risk has been actively monitored by Group finance and given the strong underlying cash generation of the Group and a large proportion of borrowings at fixed rate, this was considered a low risk with no hedging instrument put in place.

Market Price risk

Due to the nature of their principal activity, the directors do not believe the Group is exposed to significant movements in market prices for its services. In the current economic environment however, the Group's customers continue to operate under budget restrictions in addition to their statutory corporate parenting responsibilities. Through its regional management and commercial team, the Group maintains close contact with its customers at a number of levels and endeavours to provide innovative and value for money solutions to assist customers in meeting their desired levels of child focused outcomes whilst working within available budget.

Foreign currency risk

The business has no exposure to foreign currency.

COVID-19

The COVID-19 pandemic and the resulting measures taken by the UK government to contain the outbreak has not significantly impacted our business during the financial year ended 31 August 2021 or the period since then up to the signing of these financial statements. The Group has continued to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees and service users in mind.

Throughout the COVID-19 pandemic the Board has been actively involved in agreeing the Group's response to the crisis and its possible impact on stakeholders. The Board has supported the introduction of operational measures to ensure the Group's employees could continue to provide a high-quality service in a safe manner and to protect its service users.

Other than usual measures in place to protect working capital, no exceptional financial measures have had to be implemented as Local Authorities have continued their support to the Independent Sector with invoices paid as usual. Overall, even though certain measures are still in place to protect service users and employees, the Group remains well placed to continue operating as normal.

Options Group Holdings Limited

Strategic Report for the Year Ended 31 August 2021 (continued)

Statement by the directors in performance of their statutory duties as per s172(1) Companies Act 2006

The Company, as part of the SSCP Spring Topco Limited Group ("the Group"), shares the same values, principals and practices with that of the wider Group. The board of directors of the Group believe, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole in the decisions taken during the year ended 31 August 2021, having regards to the stakeholders and matters set out in s172(1)(a-f) of the Act, namely:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

That is particularly the case for important strategic decisions such as the approval of financial plans for the year under review and future years and the response of the Group to the COVID-19 pandemic. The board of directors meets monthly and considers the impact of its decisions on the stakeholders listed above.

The Group's key strategic priorities include a continual focus on improving the quality and scope of its business, increasing market share and delivering sustainable and reliable growth. The board recognises that key to achieving its strategy is the attraction and retention of talented and committed personnel at every level of the organisational hierarchy as well as recruiting, supporting and training a stable base of foster carers. A key part of the board monthly focus is to review a range of quality and employment indicators. This is completed by regular employment surveys and foster carer surveys, both conducted by independent third party organisations.

The group aims to be a socially responsible employer and the board has been supportive of ongoing improvements in pay and benefits schemes across the Group. This was particularly important during the year under review in the context of the COVID-19 pandemic during which time the Group implemented measures beyond statutory requirements.

All staff employed by the Group have access to a range of employment benefits, including pensions, life insurance, a wellbeing support programme with access to financial assistance if needed, private health insurance and a range of shopping discounts. The Group continues to explore ways to offer flexibility within this range of employment benefits that can be tailored to meet each individual's needs.

The board reviews its approach to Environmental, Social and Governance Policies at least annually, undertaking a detailed evaluation of performance against some key indicators and agreeing priorities and initiatives for the year ahead.

In delivering its Environmental, Social and Governance Policies, the board is supported by a number of committees which report directly to the board:

- A Safeguarding and Quality Committee, made up of three members who are independent from the main board and the Group Director of Quality & Compliance;
- A Remuneration Committee which ensures pay policies are fair and equitable;
- An Audit Committee; and
- An Investment Committee which reviews all investment decisions, including any business acquisitions, and considers the impact of these decisions on the long-term future of the group.

Options Group Holdings Limited

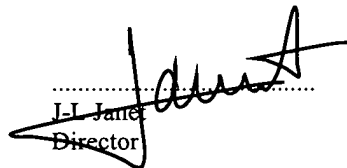
Strategic Report for the Year Ended 31 August 2021 (continued)

The board and its sub-committees have adequate representation from non-executive members and non-executive members can impose limits or conditions when giving authorisation if they think this is appropriate.

Finally 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.

Approved by the Board on 24 June 2022 and signed on its behalf by:


.....
J-L Janel
Director

Options Group Holdings Limited

Directors' Report for the Year Ended 31 August 2021

The directors present their report and the audited financial statements for the year ended 31 August 2021.

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

R J Cooke

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.

Dividends

The directors do not recommend the payment of a dividend for the year under review (8 month period ended 31 August 2020: £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.

External stakeholders

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. Supporting our customers and supplier base has been particularly important during the COVID-19 pandemic, during which times all services have managed to remain opened and growth initiatives involving supply chains have continued to progress.

Future developments

The activities of the company are expected to continue for the foreseeable future.

Matters covered in the strategic report

The directors' assessment of the company's principal risks and uncertainties and financial risk management is set out in the Strategic Report.

Options Group Holdings Limited

Directors' Report for the Year Ended 31 August 2021 (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 2021 the Group generated strong cash flows and held a group cash balance of £5.8m at 31 August 2021. 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.

On the basis of the above the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The COVID-19 pandemic has resulted in significant disruptions in global economic activities, though the impact on the business is limited. The company has been able to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees in mind.

While the scale and duration, as well as the impact of COVID-19, remain uncertain, Management is of the opinion that the Group's cash flows from operations will continue to provide the cash necessary to satisfy the company's working capital requirements for twelve months from the date of approval and signing of the financial statements by the directors.

Options Group Holdings Limited

Directors' Report for the Year Ended 31 August 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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.

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.

Approved by the Board on 24 June 2022 and signed on its behalf by:


.....
J L Jarlet
Director

Options Group Holdings Limited

Independent Auditors' Report to the Members of Options Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Options Group Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Options Group Holdings Limited

Independent Auditors' Report to the Members of Options Group Holdings Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

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 year ended 31 August 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Options Group Holdings Limited

Independent Auditors' Report to the Members of Options Group Holdings Limited (continued)

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Reviewing minutes of meetings of those charged with governance.
- Discussions with the Chief Financial Officer, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud.
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates.
- Identifying and testing the validity of journal entries, in particular certain journal entries posted with unusual users or account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Options Group Holdings Limited

***Independent Auditors' Report to the Members of Options
Group Holdings Limited (continued)***

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

24 June 2022

Options Group Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 August 2021

	Note	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Turnover	2	-	551,233
Cost of sales		<u>-</u>	<u>(33,631)</u>
Gross profit		-	517,602
Administrative expenses before exceptional items		-	(558,388)
Exceptional items	3	<u>(1,631,937)</u>	<u>-</u>
Operating loss	3	(1,631,937)	(40,786)
Interest receivable and similar income	4	<u>-</u>	<u>119</u>
Loss before taxation		(1,631,937)	(40,667)
Tax on loss	7	<u>294,737</u>	<u>205,110</u>
(Loss)/profit and Total comprehensive (expense)/income for the financial year		<u>(1,337,200)</u>	<u>164,443</u>

Turnover and operating loss derive wholly from continuing operations.

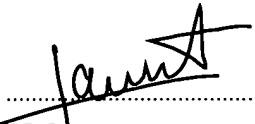
The notes on pages 16 to 26 form an integral part of these financial statements.

Options Group Holdings Limited

(Registration number: 06909044)
Balance Sheet as at 31 August 2021

	Note	31 August 2021 £	31 August 2020 £
Fixed assets			
Investments	8	614,940	614,940
Current assets			
Debtors	9	9,521,074	12,095,140
Cash at bank and in hand	10	<u>7,243</u>	<u>10,927</u>
		9,528,317	12,106,067
Creditors: Amounts falling due within one year	11	<u>(30,133,124)</u>	<u>(31,373,674)</u>
Net current liabilities		<u>(20,604,807)</u>	<u>(19,267,607)</u>
Net liabilities		<u>(19,989,867)</u>	<u>(18,652,667)</u>
Capital and reserves			
Called up share capital	12	500,025	500,025
Share premium account		14,820,147	14,820,147
Profit and loss account		<u>(35,310,039)</u>	<u>(33,972,839)</u>
Total equity		<u>(19,989,867)</u>	<u>(18,652,667)</u>

Approved and authorised by the Board on 24 June 2022 and signed on its behalf by:



 J-L Janet
 Director

Options Group Holdings Limited

Statement of Changes in Equity for the Year Ended 31 August 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2020	500,025	14,820,147	(33,972,839)	(18,652,667)
Loss for the year	-	-	(1,337,200)	(1,337,200)
Total comprehensive expense	-	-	(1,337,200)	(1,337,200)
At 31 August 2021	500,025	14,820,147	(35,310,039)	(19,989,867)

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	500,025	14,820,147	(34,137,282)	(18,817,110)
Profit for the period	-	-	164,443	164,443
Total comprehensive income	-	-	164,443	164,443
At 31 August 2020	500,025	14,820,147	(33,972,839)	(18,652,667)

The notes on pages 16 to 26 form an integral part of these financial statements.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

Options Group Holdings Limited ("the company") is a private company limited by shares incorporated in England.

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.

Group financial statements not prepared

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group financial statements.

The financial statements present information about Options Group Holdings Limited as an individual company and do not contain consolidated financial information of it as a parent of its fellow group constituents. The results of the company and its group are included in the consolidated financial statements of SSCP Spring Topco Limited which are publicly available.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (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 2021 the Group generated strong cash flows and held a group cash balance of £5.8m at 31 August 2021. 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.

On the basis of the above the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The COVID-19 pandemic has resulted in significant disruptions in global economic activities, though the impact on the business is limited. The company has been able to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees in mind.

While the scale and duration, as well as the impact of COVID-19, remain uncertain, Management is of the opinion that the Group's cash flows from operations will continue to provide the cash necessary to satisfy the company's working capital requirements for twelve months from the date of approval and signing of the financial statements by the directors.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Judgements

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.

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:

- Impairment of investments - The company considers whether there are any indicators of impairment in the carrying value of investments. Factors taken into account include the financial position and expected future financial performance, including forecast cash flows, of the investment.
- 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.

Key sources of estimation uncertainty

The following are key sources of estimation uncertainty:

- Taxation – Provisions are based on reasonable estimates based on various factors including experience and interpretation of regulations.

Turnover

Turnover represents amounts chargeable in respect of management services provided to subsidiaries 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. All turnover arose within the United Kingdom.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is recognised pro rata (on a straight-line basis) over the relevant period that the student is enrolled and receiving care. 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. 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.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

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

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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:

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Rendering of services	-	551,233

Turnover represents the recharge of costs to the company's subsidiaries for the provision of administrative, accounting and management services. It is determined based on the cost of services provided and is recognised in the period in which the services are rendered. During the year another Group company provided these services on behalf of the wider Group. All turnover arose within the United Kingdom.

3 Operating loss

Operating loss is stated after charging

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Exceptional items	1,631,937	-

Exceptional items relates to a provision against an intercompany debt owed by another Group company.

Audit fees for the year ended 31 August 2021 (£1,222) were borne by another Group company without recharge (8 month period ended 31 August 2020: £1,100).

4 Interest receivable and similar income

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Interest income on bank deposits	-	119

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Staff costs

The aggregate payroll costs were as follows:

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Wages and salaries	-	497,728
Social security costs	-	28,006
Other pension costs	-	5,625
	<u>-</u>	<u>531,359</u>

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

	Year ended 31 August 2021 No.	1 January 2020 to 31 August 2020 No.
Teacher, Care and Support staff	<u>-</u>	<u>3</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Remuneration	-	235,998
Contributions paid to defined contribution pension schemes	-	7,255
	<u>-</u>	<u>243,253</u>

The number of directors receiving remuneration for their services to the company during the year ended 31 August 2021 was 0 (2020: 4). The other directors were employed and their remuneration costs borne by other group companies, Acorn Care and Education Limited and Belton Associates Limited. 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.

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

	Year ended 31 August 2021 No.	1 January 2020 to 31 August 2020 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>4</u>

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Tax on loss

Tax credited in the statement of comprehensive income

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Current taxation		
UK corporation tax	<u>(294,737)</u>	<u>(205,110)</u>

Factors affecting tax credit for the year/period

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (8 months ended 31 August 2020 - lower than the standard rate of corporation tax in the UK) of 19% (8 months ended 31 August 2020: 19%).

The differences are reconciled below:

	Year ended 31 August 2021 £	1 January 2020 to 31 August 2020 £
Loss before tax	<u>(1,631,937)</u>	<u>(40,667)</u>
Corporation tax at standard rate	(310,068)	(7,727)
Effect of expense not deductible in determining taxable profit (tax loss)	310,068	5
Tax decrease from transfer pricing adjustments	<u>(294,737)</u>	<u>(197,388)</u>
Total tax credit	<u>(294,737)</u>	<u>(205,110)</u>

Factors that may affect future tax charges

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.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Investments

	31 August 2021 £	31 August 2020 £
Investments in subsidiaries	<u>614,940</u>	<u>614,940</u>
Subsidiaries		£
Cost or valuation		
At 1 September 2020		<u>614,940</u>
At 31 August 2021		<u>614,940</u>
Carrying amount		
At 31 August 2021		<u>614,940</u>
At 31 August 2020		<u>614,940</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Percentage holding	Principal activity
Subsidiary undertakings			
Options Autism (1) Limited	England and Wales	100%	Provision of care and education services
Options Autism (2) Limited	England and Wales	100%	Provision of care and education services
Options Autism (3) Limited	England and Wales	100%	Provision of care and education services
Options Autism (4) Limited	England and Wales	100%	Provision of care and education services
Options Autism (5) Limited	England and Wales	100%	Provision of care and education services
Options Autism (6) Limited	England and Wales	100%	Provision of care and education services
Hillcrest Childrens Services (2) Limited	England and Wales	100%	Provision of care and education services
Options Central Services Limited	England and Wales	100%	Holding of investments

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Investments (continued)

Undertaking	Country of incorporation	Percentage holding	Principal activity
Options Autism (1.1) Limited	England and Wales	100%	Dormant
Options Autism (1.2) Limited	England and Wales	100%	Dormant
Family Options Limited	England and Wales	100%	Dormant
Young Options Limited	England and Wales	100%	Dormant
Newco Options Limited	England and Wales	100%	Dormant

The registered address for all the above subsidiaries is Atria, Spa Road, Bolton, BL1 4AG.

Investments in Options Autism (1.1) Limited and Options Autism (1.2) Limited are held indirectly by a subsidiary undertaking. All other investments are held directly by the company.

9 Debtors

	31 August 2021 £	31 August 2020 £
Amounts owed by group undertakings	9,521,074	12,084,597
Corporation tax	-	10,363
Other debtors	-	180
Total debtors	<u>9,521,074</u>	<u>12,095,140</u>

All amounts fall due within one year.

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

10 Cash at bank and in hand

	31 August 2021 £	31 August 2020 £
Cash at bank	<u>7,243</u>	<u>10,927</u>

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

11 Creditors: Amounts falling due within one year

	31 August 2021	31 August 2020
	£	£
Amounts owed to group undertakings	30,119,455	31,347,395
Social security and other taxes	10,809	11,049
Outstanding defined contribution pension costs	2,137	2,136
Other creditors	723	13,094
	<u>30,133,124</u>	<u>31,373,674</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand and accordingly the amounts due have been classified as due within one year.

12 Called up share capital

Allotted, called up and fully paid shares

	31 August 2021	31 August 2020
	No. £	No. £
Ordinary Shares of £0.01 each	<u>50,002,500</u> <u>500,025.00</u>	<u>50,002,500</u> <u>500,025.00</u>

13 Commitments

Pension commitments

The company operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the company to the schemes and amounted to £nil (8 month period ended 31 August 2020: £5,625). Commitments provided for in the financial statements amounted to £2,137 (2020: £2,136).

14 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 Outcomes First Group Limited (formerly known as SSCP Spring Bidco Limited), a fellow subsidiary undertaking of the SSCP Spring Topco Limited Group.

The amount outstanding to the finance parties providing the banking facilities to Outcomes First Group Limited (formerly known as SSCP Spring Bidco Limited) at 31 August 2021 was £581.8m (2020: £513.0m).

15 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.

Options Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Parent and ultimate parent undertaking

The company's immediate parent is P Bloom Limited (previously Outcomes First Group 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% (2020: 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.