

Registration number: 06909044

Options Group Holdings Limited

Annual Report and Financial Statements

for the Period from 1 January 2020 to 31 August 2020



Options Group Holdings Limited

Contents

Company Information	1
Strategic Report	2 to 6
Directors' Report	7 to 9
Independent Auditors' Report	10 to 13
Statement of Comprehensive Income	14
Balance Sheet	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 to 28

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 Period from 1 January 2020 to 31 August 2020

The Directors present their strategic report for the period from 1 January 2020 to 31 August 2020.

Principal activities

The company acts as an intermediate holding company of the SSCP Spring Topco Limited Group, which changed its name to Outcomes First Group Limited ("Group") during the year, providing administrative, accounting and management services for other Group companies providing a range of education and care for children with special needs and looked after children, their families and local authorities across the UK through a network of schools and fostering agencies.

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

Review of the business

The profit for the year, after taxation amounted to £164,443 (Year ended 31 December 2019: loss of £312,105).

As at 31 August 2020, the company had net liabilities of £18,652,667 (31 December 2019: £18,817,110).

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

	Unit	2020	2019
Turnover	£	551,233	775,619
Loss before tax	£	(40,667)	(219,818)

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 Period from 1 January 2020 to 31 August 2020 (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.

Options Group Holdings Limited

Strategic Report for the Period from 1 January 2020 to 31 August 2020 (continued)

Risk of the United Kingdom leaving the European Union (Brexit)

On 1st January 2021 the United Kingdom withdrew from the European Union. The long term implications on the Group's trade, suppliers and the wider economy are uncertain. On 24th December 2020 a Trade and Cooperation Agreement was reached between the United Kingdom of Great Britain and Northern Ireland and the European Union which clarified the nature of the relationship with the European Union going forward and likely implications and reduced the potential long-term risks of Brexit.

The Group has conducted an assessment of its risks as a result of Brexit and concluded that on the basis that its turnover is 100% within the United Kingdom the impact of exiting from the European Union is unlikely to have a significant impact on the Group. In particular:

- The Cooperation Agreement established that the United Kingdom and the European Union have agreed there will be no tariffs or quotas on the movement of goods therefore disruption to the Group's supply chain is considered a low risk;
- Employees from the European Union who have been continuously resident in the United Kingdom are eligible for settled status enabling them to stay indefinitely and the Group is in regular communication with their employees, particularly those from the European Union, regarding Brexit to provide appropriate and balanced information and support.

Covid 19

The COVID-19 pandemic and the resulting measures taken by the UK government to contain the outbreak has not significantly impacted the business during the financial period ended 31 August 2020 or the period since then up to the signing of these financial statements. The Group has been able 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 significant 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 in a severe and prolonged lockdown scenario the Group is considered well placed to continue operating as normal.

Options Group Holdings Limited

Strategic Report for the Period from 1 January 2020 to 31 August 2020 (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, principles 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 2020, 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, including the company, to the COVID-19 pandemic. The Board of directors meet monthly and considers the impact of its decisions on the stakeholders listed above. During the COVID-19 pandemic additional review meetings have also taken place to ensure the board agreed the company's response to the crisis and its possible impact on stakeholders and to increase scrutiny on the likely consequences of decisions on the long-term sustainability of the company as the market environment was more uncertain.

The company'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 directors recognise 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 company aims to be a socially responsible employer and the board has been supportive of ongoing improvements in pay and benefits schemes across the Group, as a whole. 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.

The Group as a whole is targeting paying at least the Real Living Wage for all qualified staff who support children, young people and adults directly, recognising the difference its employees make every day to the Group's pupils and residents. In addition 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 directors review the company's 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

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

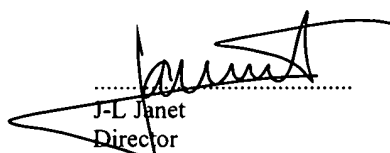
Strategic Report for the Period from 1 January 2020 to 31 August 2020 (continued)

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 company's customers and suppliers and the company believe this is an integral part of supporting long-term growth. Supporting the company's 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.

The 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 27 May 2021 and signed on its behalf by:



.....
J-L Janet
Director

Options Group Holdings Limited

Directors' Report for the Period from 1 January 2020 to 31 August 2020

The Directors present their report and the audited financial statements for the period from 1 January 2020 to 31 August 2020.

Directors of the Company

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

D J Leatherbarrow

J-L Janet

J R Worsley (resigned 31 January 2020)

R L Northall (resigned 31 January 2020)

G Baker (resigned 31 January 2020)

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 period under review (Year ended 31 December 2019: £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 Period from 1 January 2020 to 31 August 2020 (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 2020 the Group generated strong cash flows and held a group cash balance of £6m at 31 August 2020. During the period, 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.

COVID-19 pandemic has resulted in significant disruptions in global economic activities, though the impact on the business is currently 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 Period from 1 January 2020 to 31 August 2020 (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 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;
- 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

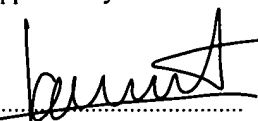
In the case of each director in office at the date the Directors' Report is approved:

- 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.

Reappointment of auditors

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

Approved by the Board on 27 May 2021 and signed on its behalf by:


.....
J-L Janet
Director

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 financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its profit for the period from 1 January 2020 to 31 August 2020;
- 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 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the period 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

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 period ended 31 August 2020 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.

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.

Options Group Holdings Limited

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by Ofsted, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 judgments and estimates.
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual 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

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

27 May 2021

Options Group Holdings Limited

Statement of Comprehensive Income for the Period from 1 January 2020 to 31 August 2020

	Note	1 January 2020 to 31 August 2020 £	Year ended 31 December 2019 £
Turnover	2	551,233	775,619
Cost of sales		<u>(33,631)</u>	<u>(90,646)</u>
Gross profit		517,602	684,973
Administrative expenses		<u>(558,388)</u>	<u>(904,923)</u>
Operating loss	3	<u>(40,786)</u>	<u>(219,950)</u>
Interest receivable and similar income	4	<u>119</u>	<u>132</u>
		<u>119</u>	<u>132</u>
Loss before taxation		(40,667)	(219,818)
Tax on loss	7	<u>205,110</u>	<u>(92,287)</u>
Profit/(loss) and Total comprehensive income/(expense) for the financial period		<u><u>164,443</u></u>	<u><u>(312,105)</u></u>

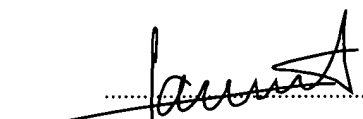
Turnover and operating loss derive wholly from continuing operations.

Options Group Holdings Limited

(Registration number: 06909044)
Balance Sheet as at 31 August 2020

	Note	31 August 2020 £	31 December 2019 £
Fixed assets			
Tangible assets	8	-	25
Investments	9	<u>614,940</u>	<u>614,940</u>
		<u>614,940</u>	<u>614,965</u>
Current assets			
Debtors	10	12,095,140	10,416,043
Cash at bank and in hand	11	<u>10,927</u>	<u>49,913</u>
		12,106,067	10,465,956
Creditors: Amounts falling due within one year	12	<u>(31,373,674)</u>	<u>(29,898,031)</u>
Net current liabilities		<u>(19,267,607)</u>	<u>(19,432,075)</u>
Net liabilities		<u>(18,652,667)</u>	<u>(18,817,110)</u>
Capital and reserves			
Called up share capital	13	500,025	500,025
Share premium account		14,820,147	14,820,147
Profit and loss account		<u>(33,972,839)</u>	<u>(34,137,282)</u>
Total equity		<u>(18,652,667)</u>	<u>(18,817,110)</u>

Approved and authorised by the Board on 27 May 2021 and signed on its behalf by:


J-L Janet
Director

The notes on pages 17 to 28 form an integral part of these financial statements.

Options Group Holdings Limited

Statement of Changes in Equity for the Period from 1 January 2020 to 31 August 2020

	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)

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	500,025	14,820,147	(33,825,177)	(18,505,005)
Loss for the year	-	-	(312,105)	(312,105)
Total comprehensive expense	-	-	(312,105)	(312,105)
At 31 December 2019	500,025	14,820,147	(34,137,282)	(18,817,110)

The notes on pages 17 to 28 form an integral part of these financial statements.

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020

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 of the parent company 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.

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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 2020 the Group generated strong cash flows and held a group cash balance of £6m at 31 August 2020. During the period, 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.

COVID-19 pandemic has resulted in significant disruptions in global economic activities, though the impact on the business is currently 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 Period from 1 January 2020 to 31 August 2020 (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:

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.

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 Period from 1 January 2020 to 31 August 2020 (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.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	25% Straight line

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.

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (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 at 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.

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 period from continuing operations is as follows:

	1 January 2020 to 31 August 2020	Year ended 31 December 2019
	£	£
Rendering of services	551,233	775,619

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. All turnover arose within the United Kingdom.

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

3 Operating loss

Audit fees for 1 January to 31 August 2020 (£1,100) were borne by another Group company without recharge (Year ended 31 December 2019: £1,600).

4 Interest receivable and similar income

	1 January 2020 to 31 August 2020 £	Year ended 31 December 2019 £
Interest income on bank deposits	<u>119</u>	<u>132</u>

5 Staff costs

The aggregate payroll costs were as follows:

	1 January 2020 to 31 August 2020 £	Year ended 31 December 2019 £
Wages and salaries	497,728	809,508
Social security costs	28,006	90,646
Other pension costs	<u>5,625</u>	<u>21,740</u>
	<u>531,359</u>	<u>921,894</u>

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

	1 January 2020 to 31 August 2020 No.	Year ended 31 December 2019 No.
Directors and support staff	<u>3</u>	<u>7</u>

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

6 Directors' remuneration

The directors' remuneration for the period was as follows:

	1 January 2020 to 31 August 2020 £	Year ended 31 December 2019 £
Remuneration	235,998	706,932
Contributions paid to defined contribution pension schemes	7,255	18,928
	<u>243,253</u>	<u>725,860</u>

Some 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.

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

	1 January 2020 to 31 August 2020 No.	Year ended 31 December 2019 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

7 Tax on loss

Tax (credited)/charged in the statement of comprehensive income

	1 January 2020 to 31 August 2020 £	Year ended 31 December 2019 £
Current taxation		
UK corporation tax	(205,110)	(41,765)
UK corporation tax adjustment to prior periods	<u>-</u>	<u>133,335</u>
	(205,110)	91,570
Deferred taxation		
Arising from adjustments in respect of previous periods	<u>-</u>	<u>717</u>
Tax (credit)/charge in the statement of comprehensive income	<u>(205,110)</u>	<u>92,287</u>
Factors affecting tax (credit)/charge for the year		

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

The differences are reconciled below:

	1 January 2020 to 31 August 2020 £	Year ended 31 December 2019 £
Loss before tax	<u>(40,667)</u>	<u>(219,818)</u>
Corporation tax at standard rate	(7,727)	(41,765)
Effect of expense not deductible in determining taxable profit (tax loss)	5	-
Adjustment for prior period	-	134,052
Tax decrease from transfer pricing adjustments	<u>(197,388)</u>	<u>-</u>
Total tax (credit)/charge	<u>(205,110)</u>	<u>92,287</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%. This new law has not yet been substantively enacted. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

8 Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2020	25	25
Disposals	<u>(25)</u>	<u>(25)</u>
At 31 August 2020	<u>-</u>	<u>-</u>
Carrying amount		
At 31 August 2020	<u>-</u>	<u>-</u>
At 31 December 2019	<u>25</u>	<u>25</u>

9 Investments

	31 August 2020 £	31 December 2019 £
Investments in subsidiaries	<u>614,940</u>	<u>614,940</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2020		<u>614,940</u>
At 31 August 2020		<u>614,940</u>
Carrying amount		
At 31 August 2020		<u>614,940</u>
At 31 December 2019		<u>614,940</u>

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

9 Investments (continued)

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 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.

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

10 Debtors

	31 August 2020	31 December 2019
	£	£
Amounts owed by group undertakings	12,084,597	10,324,799
Corporation tax	10,363	-
Other debtors	180	91,244
Total debtors	<u>12,095,140</u>	<u>10,416,043</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.

11 Cash at bank and in hand

	31 August 2020	31 December 2019
	£	£
Cash at bank	<u>10,927</u>	<u>49,913</u>

12 Creditors: Amounts falling due within one year

	31 August 2020	31 December 2019
	£	£
Amounts owed to group undertakings	31,347,395	29,827,341
Corporation tax	-	43,676
Other Taxation and social security	13,185	26,387
Other creditors	13,094	627
	<u>31,373,674</u>	<u>29,898,031</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.

13 Called up share capital

Allotted, called up and fully paid shares

	31 August 2020	31 December 2019
	No.	No.
	£	£
Ordinary Shares of £0.01 each	<u>50,002,500</u>	<u>50,002,500</u>
	<u>500,025.00</u>	<u>500,025.00</u>

Options Group Holdings Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 August 2020 (continued)

14 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 £5,625 (Year ended 31 December 2019: £21,740). Commitments provided for in the financial statements amounted to £2,136 (31 December 2019: £1,843).

15 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 2020 was £513.0m (31 December 2019: £515.0m).

16 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.

17 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% (2019: 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.