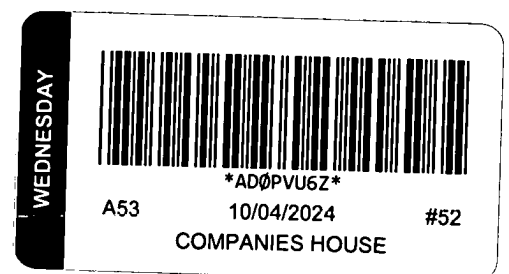


Registration number: 09248650

# SSCP Spring Topco Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2023



# **SSCP Spring Topco Limited**

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# **SSCP Spring Topco Limited**

## **Company Information**

<b>Chairman</b>	D J Quinn
<b>Directors</b>	E Biale J L Heathcote B Hopper D J Quinn C L Heine S J Christie R D Edwards
<b>Company secretary</b>	A Bennett
<b>Registered office</b>	Atria Spa Road Bolton BL1 4AG
<b>Independent Auditor</b>	KPMG LLP Quayside House 110 Quayside Newcastle Upon Tyne NE1 3DX

# SSCP Spring Topco Limited

## Strategic Report for the Year Ended 31 August 2023

The directors present their present their strategic report for the year ended 31 August 2023.

### Principal activities

The principal activity of the company is the holding of investments for the Group. The principal activities of the Group, for the year under review, are the provision of children's and adults' education and wellbeing services for local authorities throughout England, Scotland, Wales and Northern Ireland.

The Group provides a choice of education and care for young people and adults through a network of schools, residential care homes and a national network of fostering agencies. On 19th December 2023, the Group disposed of its Education division, leaving the remaining principle activity of the Group as fostering services.

The Group's vision is to improve the lives of even more children, every single day, with everyone playing a part to create safe and happy environments, given children and young people the life they deserve.

SSCP Spring Topco Limited and its subsidiaries traded under two main brands for the year under review, "Outcomes First Group" for education and care services and "National Fostering Group". Outcomes First Group was disposed on 19th December 2023.

### Review of the business

The turnover for the year ended 31 August 2023 ("the year under review") grew by £53.2m to £496.9m (Year ended 31 August 2022: £443.7m) as a result of acquisitions made during the year and organic growth. As at 31 August 2023, the Group was in a net current asset position of £20.5m (2022: net current asset position £30.3m).

The loss for the year under review, amounted to £76.8m (2022: loss £72.8m), however this is after accounting for significant non-cash items including amortisation of intangible fixed assets and non-cash interest accrued as illustrated in the table below which also outlines other movements impacting the year under review against 2022:

	2023 £ 000	2022 £ 000
Revenue	496,923	443,676
Loss for the period before tax	(84,591)	(72,985)
Add back significant non-cash items and exceptional items:		
Depreciation and profit/loss on disposal of tangible fixed assets	18,871	17,986
Amortisation of intangible fixed assets	56,369	55,123
Non-cash interest	51,569	43,383
Amortisation of deferred finance fees	3,846	3,785
Exceptional costs	4,170	4,899
Underlying result before tax	50,234	52,191

### Underlying results

Exceptional costs for year ended 31 August 2023 relate to business restructuring and disposal preparation costs. Exceptional costs for the year ended 31 August 2022 relate to a one-off strategic review project.

The underlying trading performance of the business continues to be strong and in line with 2022.

The Group monitors its performance through robust monthly management accounts and a range of indicators across the schools, residential homes and fostering regions. The Group's key performance indicators during the year, in addition to those described above, relate to the number of schools, care homes and fostering agencies in operation by the Group. The number of registrations increased during the year due to ongoing organic growth and acquisitions.

# SSCP Spring Topco Limited

## Strategic Report for the Year Ended 31 August 2023

The growth in number of registrations is illustrated in the table below:

	As at 1 September 2022	Changes in registration	Organic growth	Acquisitions	As at 31 August 2023
Number of registered schools	50	-	9	2	61
Number of registered children's residential care homes	88	(30)	-	-	58
Number of adults' residential care homes	26	(3)	-	-	23
Number of registered fostering agencies	33	-	-	-	33
Number of family assessment centres	-	-	1	-	1

### Overview

The Group has had a successful year under review and has continued to invest in additional capacity, including the opening of new schools and further education colleges and to acquire stand-alone businesses, successfully completing the acquisition of a school, a group of special need colleges and two education support services businesses. Consequently the Group has been able to continue progressing the achievements of its strategic objectives.

Economic and budgetary pressures remain at the forefront of local authorities' strategy to continue to achieve sustainable cost reductions in all areas including children's services. The Group has formal contract arrangements with the majority of local authorities across the UK, reflecting its ability to respond successfully to a wide range of tender opportunities, contract extensions and the various renewal processes within existing contracts. Despite the ongoing pressure to reduce unit costs for each placement to the local authorities, the Group has maintained its underlying revenue levels and underlying profitability, through its focus on providing a relevant and focused high quality service that offers value for money and measurable outcomes for its customers. The Group's principal revenue sources are within the public sector, substantially reducing the risk of bad debt.

### Objectives and strategy

A comprehensive planning process is undertaken each year with strategic and commercial objectives being clearly identified for a three year period and a detailed business plan for the current trading year.

The current strategy of the Group, following the disposal of the education business in December 2023, is to focus on expanding the fostering business in terms of number of foster carers that are supported and the breadth of the service offering, whilst maintaining high quality of services.

The Group has been successful in delivering its strategy in the year under review and has continued to acquire education providers and new sites for the development of new schools.

### Principal risks and uncertainties

#### Market

Qualified data published by the UK Statistics Authority, Scottish Government, Department for Education (England), Northern Ireland Statistics and Research Agency and the Welsh Government Statistics, shows consistent historic growth in numbers of looked after children and in children with complex education needs. This is likely to continue into the foreseeable future. Therefore, the Group is committed to maximising its ability to respond with innovative solutions to support customers in addressing their budgetary restrictions, whilst focusing on the quality of the outcomes for the children, young people and adults in its care and education.

The Group uses these data trends, national and country specific policy guidelines and regulatory guidance to prepare and direct its strategy.

# SSCP Spring Topco Limited

## Strategic Report for the Year Ended 31 August 2023

### **Regulatory and legislative risks**

The regulatory regimes for the Group's fostering and children's residential care operations vary across the United Kingdom. In England, it is the responsibility of Ofsted, in Wales, it is the Care Inspectorate Wales and in Scotland, it is the Care Inspectorate. The regulatory regime in Northern Ireland is currently being established, but for the avoidance of any doubt the Group's business operations in the province are managed through compliance with the Ofsted regulations. The Group's processes and procedures are uniform throughout the United Kingdom enabling performance comparisons, whilst individual country practice compliance is in accordance with local obligations.

As an education provider, the schools registered in England are approved by the Department for Education ("DfE") and are subject to inspection and report by Ofsted. In Scotland it is the responsibility of Education Scotland and in Wales of Estyn. Periodic inspections are carried out for each school.

Adults residential facilities are also registered and inspected by the Care Quality Commission in England and the Care Inspectorate in Wales.

Outcomes First Group and the National Fostering Group have Quality Committees including external members and an independent Chair, which have been established to oversee their Quality Assurance activities. The committees provide assurance to the Group board that appropriate governance structure, systems and processes are in place and that services are high quality and safe. Outcomes First Group and the National Fostering Group retain fully resourced Quality Assurance teams to review, control and rigorously audit the Group's practices and compliance procedures. They regularly update their policies and procedures in order to ensure compliance with required standards. As at the end of August 2023, 94% of the Group's services in England were rated Good or Outstanding by Ofsted or Care Quality Commission for the underlying activities of the Group.

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.

### **Financial risks**

The Group's principal financial instruments comprise trade and other debtors, cash and cash equivalents, trade and other creditors, loans, loan notes, preference shares and derivative financial instruments.

The main risks associated with these financial assets and liabilities are:

#### **Credit risk**

Credit risk arises principally on third party derived revenues. Group policy is aimed at minimising such risk, and collection of debts is actively managed to ensure that payments are received in a timely manner. The Group's customers are local authorities and have a good payment history. The directors believe the Group's exposure to bad debts is not significant.

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The liquidity risk within the Group is managed through the Group finance function.

Capital expenditure is approved at Group level. Day to day cash flow flexibility is maintained by retaining surplus cash in readily accessible bank accounts. Working capital requirements are funded primarily through each Group company's resources, although each Group company has recourse to additional funding through the Group's banking facilities.

#### **Interest rate risk**

During the year under review the risk has been actively monitored by Group finance and given the strong underlying cash generation of the Group, this was considered a manageable risk with no hedging instrument put in place. Given the high inflationary environment in the UK during the year under review scenario modelling has been regularly undertaken to ensure the cash generation of the Group can cover any future increases in the underlying interest rate. This risk will continue to be actively monitored by the Group finance function.

## **SSCP Spring Topco Limited**

### **Strategic Report for the Year Ended 31 August 2023**

#### *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.

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 budgets.

#### *Foreign currency risk*

The business has no exposure to foreign currency.

#### **Other significant risks**

##### *People and reputation risk*

All employees are appointed after a thorough assessment based on references, qualifications and all relevant statutory checks. Foster parents undergo a disciplined and thorough assessment process, which includes a range of references and regulatory checks before approval at one of the Group's independent panels.

The Group continues to invest in both foster parents and staff training through a dedicated national department, supported by specialist external trainers where required, in order to maintain quality and evidence competence and capacity for the future.

Outcomes First Group and the National Fostering Group operate Safeguarding and Quality Committees. These committees are made up of independent members and the Director of Quality & Compliance. These committees meet as required to ensure the relevant operations have effective processes relating to the protection of children or adults from abuse or neglect, preventing impairment of their health and development. These committees consider all cases relating to professional standards.

##### *Sustainability Risk*

The Group identifies sustainability as a key aspect of its business model and the long-term success of the Group. The Group has continued to strive toward creating a more socially, environmentally, and economically sustainable business, including alignment to the Social Value Framework of its Local Government customers. The Group regularly reviews its sustainability strategy.

## Strategic Report for the Year Ended 31 August 2023

### **Streamlined Energy & Carbon Reporting**

The section below includes our third year of reporting under the Streamlined Energy & Carbon Reporting (SECR) requirements. The reporting period is the same as the Group's financial year, 1st September 2022 to 31st August 2023.

### **Organisation Boundary and Scope of Emissions**

We have reported on all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2018. These sources fall within the Group's consolidated financial statement.

An operational control approach has been used to define our organisational boundary.

The following emission sources are reported:

- Scope 1: natural gas combustion, fuel used in company-owned vehicles and fuels used in on-site energy generation (natural gas, LPG, burning oil, biomass, and diesel).
- Scope 2: purchased electricity.
- Scope 3: fuel used in personal and hire cars on business use.

The Group confirmed that no refrigerant gas losses occurred throughout the reporting period. All carbon dioxide emissions and energy consumption figures relate to emissions in the United Kingdom.

### **Methodology**

The Group has employed the services of a specialist adviser to quantify and calculate the Greenhouse Gas (GHG) emissions associated with the Group's operations.

The following methodology was applied in the preparation and presentation of this data:

- The Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute (the 'GHG Protocol');
- Application of appropriate emission factors (DEFRA conversion factors 2023 - UK Government GHG Conversion Factors for Company Reporting) to the Group's activity data to calculate GHG emissions, including both the location-based and market-based emissions resulting from electricity consumption;
- Presentation of gross emissions, no net figures are provided as the Group does not purchase carbon credits (or equivalents);
- Inclusion of all applicable Kyoto gases, expressed in carbon dioxide equivalents, or CO<sub>2</sub>e;
- The following assumptions have been used due to data not being obtained or unable to be confirmed by the time of this report:

- For electricity consumption where the tariff specific supplier fuel mix is unknown, the AIB residual fuel mix emissions factor has been used to calculate market-based emissions.
- Where spend data has been provided, the average cost of electricity (£/kWh, per the Department for Energy Security and Net Zero) has been used to estimate electricity consumption.
- Data pertaining to the onsite combustion of fuels (excluding natural gas) has been provided in the form of total cost. Relevant conversion factors from several sources have been used to convert these amounts into consumption in either litres or tonnes.
- All company owned vans were diesel powered in FY2023. The ratio of diesel cars and vans within the fleet has been applied to the total litres of diesel consumption for the year, to estimate the diesel consumption across both vehicle types.
- For personal mileage claims where vehicle size and fuel type are unknown, the emission factor for an 'Average Car' (unknown size and fuel type as defined within DEFRA conversion factors 2023) has been used.
- As with FY2022, the number of full-time employees has been used to calculate the carbon intensity ratio.



## Strategic Report for the Year Ended 31 August 2023

**Restatement of FY2022 Figures**

When preparing the FY2023 SECR report, it was identified that FY2022 emissions were under-reported due to two emissions factors (DEFRA, 2022) being erroneously used in calculations. As a result, emissions have been recalculated for FY2022, with changes to the methodology also being noted. These adjustments will allow for more accurate and meaningful year-on-year comparisons.

All changes to the calculation of emissions in FY2022 are listed below:

- The DEFRA emissions factors for LPG and burning oil were corrected. Previously, the kgCO<sub>2</sub>e/kWh emissions factors were included rather than the kgCO<sub>2</sub>e/litre emissions factors.
- Scope 1, 2 and 3 intensity ratio calculations in the AR statement table have had formulas updated.
- AIB emissions have been used to calculate brown tariff emissions for electricity, in line with a change to internal methodology implemented in Q1 2023.
- The 'Average car, unknown size' emissions figure has been updated to a singular DEFRA emissions factor where it was previously derived from a calculation using two DEFRA emissions factors.

<b>GHG emissions</b>	<b>Original FY2022 Figures (tonnes CO<sub>2</sub>e)</b>	<b>Restated FY2022 Figures (tonnes CO<sub>2</sub>e)</b>
Scope 1 <sup>1</sup>	3,287.9	4,646.6
Scope 2 <sup>2</sup>	1,709.7	1,695.7
Scope 2 <sup>3</sup>	122.9	41.0
Scope 3 <sup>4</sup>	886.4	977.9
<b>Total GHG emissions (Location-based Scope 2)</b>	<b>5,884.0</b>	<b>7,320.3</b>
<b>Total GHG emissions (Market-based Scope 2)</b>	<b>4,297.2</b>	<b>5,665.5</b>

Throughout this report, all tables and charts include the restated FY2022 figures from the above table.

**Absolute Emissions**

The total Scope 1, 2 and 3 GHG emissions from the Group's operations in the year ending 31st August 2023 were:

- 8,104.9 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) when using a 'location-based' emission factor methodology for Scope 2 emissions;
- 6,210.4 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) when using a 'market-based' emission factor methodology for Scope 2 emissions.

Scope 1 emissions from on-site use of fuels such as natural gas, LPG, burning oil, biomass and diesel, and company owned vehicles have been included in the reporting scope.

Scope 2 emissions consisted of purchased electricity using both the location-based and market-based methods.

Scope 3 emissions consisted of fuel for transport for business use.

# SSCP Spring Topco Limited

## Strategic Report for the Year Ended 31 August 2023

### Intensity Ratios

As well as reporting the absolute emissions, intensity ratios for the Group's emissions have been provided below.

The intensity ratios for the Group are as follows:

- 1.22 tCO<sub>2</sub>e per FTE Employee (location-based method).
- 0.94 tCO<sub>2</sub>e per FTE Employee (market-based method).

### Target and Baselines

The Group recognises that it has a responsibility to minimise the impact its employees and activities have on the environment. The Group recognises its responsibility to influence and educate the children and young people in its care and help them to understand their influence and responsibility towards their environment today and in the future.

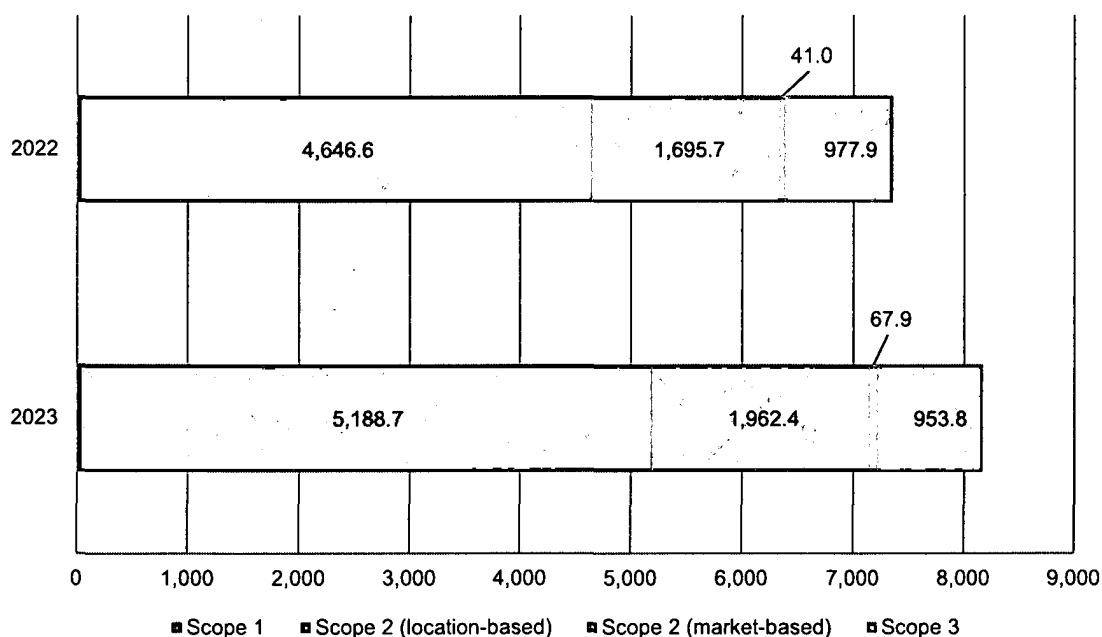
The Group's objective is to maintain or reduce its GHG emissions per employee each year and will report each year whether it has been successful in this regard. In FY2023, the Group achieved this target as the intensity ratio decreased. When using the location-based method, the intensity ratio fell from 1.24 in FY2022 to 1.22 in FY2023, whereas applying the market-based method resulted in the intensity ratio falling from 0.96 in FY2022 to 0.94 in FY2023.

The Group's absolute emissions have increased by 10.7% using the location-based method for Scope 2 emissions, and by 9.6% using the market-based method for Scope 2 emissions. The Group's intensities fell despite an absolute emission increase as the total number of full-time employees increased by 738 in this reporting year.

The increase in annual emissions can largely be attributed to Scope 1, more burning oil and biomass were consumed in FY2023 than in FY2022. Additionally, a new on-site fuel was introduced in 2023 - onsite diesel. Regarding Scope 2, electricity consumption increased by 8.1% between FY2022 and FY2023.

### Key Figures

**Outcomes First Group - Emissions Breakdown by Scope (tCO<sub>2</sub>e)**



# SSCP Spring Topco Limited

## Strategic Report for the Year Ended 31 August 2023

In the figure above, 2023 emissions include those of Outcomes First Group constituting the Group's emissions for the year.

### Annual Report Statement

GHG emissions	2023		2022	
	Tonnes CO <sub>2</sub> e	tCO <sub>2</sub> e / FTE Employee <sup>5</sup>	Tonnes CO <sub>2</sub> e	tCO <sub>2</sub> e / FTE Employee <sup>5</sup>
Scope 1 <sup>1</sup>	5,188.7	0.78	4,646.6	0.79
Scope 2 <sup>2</sup>	1,962.4	0.30	1,695.7	0.29
Scope 2 <sup>3</sup>	67.9	0.01	41.0	0.01
Scope 3 <sup>4</sup>	953.8	0.14	977.9	0.17
<b>Total GHG emissions (Location-based Scope 2)</b>	<b>8,104.9</b>	<b>1.22</b>	<b>7,320.3</b>	<b>1.25</b>
<b>Total GHG emissions (Market-based Scope 2)</b>	<b>6,210.4</b>	<b>0.93</b>	<b>5,665.5</b>	<b>0.97</b>

1 Scope 1 being emissions from the company-owned vehicles and the Group's combustion of fuels including natural gas, LPG, burning oil, biomass, and diesel.

2 Scope 2 being electricity (from location-based calculations) purchased for the Group's own use.

3 Scope 2 being electricity (from market-based calculations) purchased for the Group's own use.

4 Scope 3 being indirect emissions from the Group's combustion of fuel in personal and hire cars for business use.

5 FTE Employees: 6,630 (FY2023), 5,892 (FY2022)

### Total Energy Use

Year	Premises - Energy Use						Company-owned vehicles		Personal and Hire Cars			Total energy use (kWh)
	Electricity (kWh)	Gas (kWh)	LPG (kWh)	Diesel (kWh)	Burning oil (kWh)	Biomass (kWh)	Petrol (kWh)	Diesel (kWh)	Petrol (kWh)	Diesel (kWh)	Unknown fuel type (kWh)	
2023	9,476,793	9,089,858	2,217,004	6,006,064	2,215,651	52,643	3,366,433	3,303,364	89,241	104,283	3,749,451	39,670,784
2022	8,768,985	8,928,133	2,632,152	3,929,971	925,643	-	2,819,293	3,447,204	-	-	3,963,640	35,415,019

## SSCP Spring Topco Limited

### Strategic Report for the Year Ended 31 August 2023

#### ***Energy Efficiency Actions***

Efficiency actions taken during FY2023 primarily included the advancement towards green energy, this consisted of procuring REGO-backed green tariffs which now accounts for 98% of the total electricity consumption controlled by the Group. Moreover, the Group's strategy involves installing electric vehicle charge points at all newly opened schools, installations are also expanding to existing properties under a broader rollout program.

#### ***Understanding the Indirect Environmental Impacts of our Business Activities***

The Group considers it important to comply with existing applicable environmental, ethical and social legislation. It is also important that the Group can demonstrate that an appropriate strategy is in place to meet future applicable legislative and regulatory requirements and that the Group can operate to specific industry standards, striving for best practice.

## **SSCP Spring Topco Limited**

### **Strategic Report for the Year Ended 31 August 2023**

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

The board of directors of SSCP Spring Topco Limited 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 2023, 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.

The board of directors meets monthly and considers the impact of its decisions on the stakeholders listed above.

SSCP Spring Topco Limited'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 higher inflation leading to higher cost of living for the Group's employees and the board of directors has supported a range of measures to ensure all employees and foster carers, in particular the lowest paid employees, receive regular pay increases.

## SSCP Spring Topco Limited

### Strategic Report for the Year Ended 31 August 2023

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 offers 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:

- Safeguarding and Quality Committees, made up of members who are independent from the main board and the relevant Directors 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.

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.

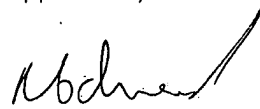
Finally a strong emphasis is placed on developing sustainable and strategic relationship with external stakeholders, namely the Group's customers and suppliers and the Group believe this is an integral part of supporting long-term growth.

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.

#### Future developments

Following the sale of the Education Division post year-end, the Group continues to invest in the development of fostering facilities and outcomes, including the recruitment and retention of employees and foster carers. In the year under review, the fostering division has opened its first family assessment centre and will consider further investment opportunities in associated services where demand is high.

Approved by the Board and signed on its behalf by:



R D Edwards  
Director

29 February 2024

## SSCP Spring Topco Limited

### Directors' Report for the Year Ended 31 August 2023

The directors present their report and the audited consolidated financial statements for the year ended 31 August 2023.

#### Directors of the Group

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

E Biale

J L Heathcote

B Hopper

J-L Janet (resigned 19 December 2023)

D J Leatherbarrow (resigned 19 December 2023)

D J Quinn - Chairman

C L Heine

The following directors were appointed after the year end:

S J Christie (appointed 19 December 2023)

R D Edwards (appointed 19 December 2023)

The Group purchased and maintained throughout the year and at the date of approval of the financial statements, directors' and officers' liability insurance in respect of its directors.

#### Future developments

Future developments are deemed to be of strategic importance to the company and the Group and as such have been outlined within the strategic report.

#### Qualifying third party indemnity provisions

The Group has maintained throughout the year, and was also in force at the date of approval, directors' and officers' liability insurance for the benefit of the Group, the directors and its officers. The Group has not entered into non-qualifying third party indemnity arrangements for the benefit of its directors.

#### Matters covered in the strategic report

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

#### Dividends

The directors do not recommend the payment of a dividend for the period ended 31 August 2023 (2022: Nil).

#### Political donations

During the year the Group made no political donations.

# SSCP Spring Topco Limited

## Directors' Report for the Year Ended 31 August 2023

### Employees and employment policies

The Group 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 staff engagement survey.

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

### Going concern

On 19th December 2023 the Group confirmed it had secured acquirers for the Education business, disposing of SSCP Spring Midco 1A Limited and all subsidiaries. The process allowed the Group to repay all third party debt, including the PIK notes, and the SSCP Spring Midco 1 Limited loan notes and preference shares.

A new financing facility was put in place with an existing lending group, as well as a new revolving credit facility.

Given the Group had been trading on a separate basis since September 2022, there is no ongoing impact on the management of the group.

The Group meets its day to day working capital requirements through its long-term bank facilities. The directors believe that it is appropriate to prepare the financial statements on a going concern basis, the board having considered the following in particular:

- The Group has net current assets of £20.5m (2022: net current assets of £30.3m).
- The Group has total net liabilities of £463.8m (2022: £387.6m). Bank loans amounting to £510.0m were refinanced in the year ending 31 August 2019 and are repayable in full on 18 July 2025.
- The Group recorded a loss of £76.8m (2022: £72.8m) for the year under review, after reflecting non-cash interest costs of £51.6m (2022: £43.4m) and amortisation of intangible assets amounting to £56.4m (2022: £55.1m).

The Group generated an operating cash inflow in the year under review of £47.2m (2022: £59.7m inflow), net of cash interest costs of £56.0m (2022: £40.1m) and at 31 August 2023 held cash balances amounting to £38.4m (2022: £25.1m).

Cash balances are retained within the business to support future development plans such as improvement and expansion spend on its schools, offices, foster parent training facilities and residential care homes. The Group also has access to a revolving credit facility of £5m of which £2.5m was drawn down as at 29th February 2024.

The underlying trading performance of the business is strong, further supported by the acquisitions of schools and associated local residential care homes during the year. In June 2023 a detailed annual budget for the year to 31 August 2024 was produced. This, together with business modelling and financial forecasts for a further two years, predicts further growth. This budget and the forecasts were thoroughly reviewed and approved by the Board and also provided to the lenders of the senior loan facilities. Detailed forecasts including a severe but plausible downside were prepared, showing that there is sufficient cash headroom for the Group to meet its liabilities as they fall due and that all covenant requirements under the loan arrangement will be met in the foreseeable future and, accordingly, they have determined it is appropriate to prepare the financial statements on a going concern basis.



# SSCP Spring Topco Limited

## Directors' Report for the Year Ended 31 August 2023

### 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 Group and Parent Company 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 Group and Parent Company and of the profit or loss of the Group and Parent 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 Group and Parent Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Parent 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 Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Directors' confirmations

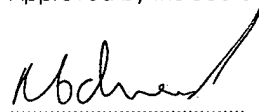
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Parent 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 Group and Parent Company's auditors are aware of that information.

### Reappointment of independent auditors

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

Approved by the Board and signed on its behalf by:



R D Edwards  
Director

29 February 2024

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING TOPCO LIMITED**

### **Opinion**

We have audited the financial statements of SSCP Spring Topco Limited ("the company") for the year ended 31 August 2023 which comprise the group statement of Comprehensive Income, the group and parent Company Balance Sheets, the group and parent Company Statements of Changes in Equity, the group Cash Flow Statement and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Company's affairs as at 31 August 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

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

Our conclusions based on this work:

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING TOPCO LIMITED - continued**

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

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

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

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

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation.
- Across all the in scope education entities for a sample of deferred income balances, re-calculated the balance using the invoices to corroborate whether those items were recorded in the correct accounting period. Vouched a sample of transactions to cash receipts to confirm the accuracy of the balance.
- Across all the in scope fostering entities selected a sample of revenue transactions around the period end, vouching to supporting documentation to corroborate whether those items were recorded in the correct accounting period.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING TOPCO LIMITED - continued**

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

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

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

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

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING TOPCO LIMITED – continued**

### **Strategic report and directors' report**

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

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 15 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING TOPCO LIMITED – continued**

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Clare Partridge (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

Quayside House 110

Newcastle upon Tyne

NE1 3DX

29 February 2024

## SSCP Spring Topco Limited

### Consolidated Statement of Comprehensive Income for the Year Ended 31 August 2023

	Note	2023 £ 000	2022 £ 000
Turnover	2	496,923	443,676
Cost of sales		<u>(248,296)</u>	<u>(227,511)</u>
Gross profit		<u>248,627</u>	<u>216,165</u>
Administrative expenses before exceptional items		(217,685)	(197,131)
Exceptional items	3	<u>(4,170)</u>	<u>(4,899)</u>
Administrative expenses		<u>(221,855)</u>	<u>(202,030)</u>
Operating profit	3	<u>26,772</u>	<u>14,135</u>
Interest receivable and similar income	4	22	-
Interest payable and similar expenses	5	<u>(111,385)</u>	<u>(87,120)</u>
		<u>(111,363)</u>	<u>(87,120)</u>
Loss before taxation		(84,591)	(72,985)
Tax on loss	8	<u>7,748</u>	<u>164</u>
Loss and Total comprehensive expense for the financial year		<u><u>(76,843)</u></u>	<u><u>(72,821)</u></u>

Turnover and operating profit derive wholly from continuing operations.

The group has no items of other comprehensive income.

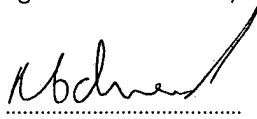
# SSCP Spring Topco Limited

(Registration number: 09248650)

## Consolidated Balance Sheet as at 31 August 2023

	Note	2023 £ 000	2022 £ 000
<b>Fixed assets</b>			
Intangible assets	9	206,832	257,195
Tangible assets	11	<u>319,250</u>	<u>289,873</u>
		<u>526,082</u>	<u>547,068</u>
<b>Current assets</b>			
Stocks	13	2	2
Debtors	14	61,738	65,872
Cash at bank and in hand	15	<u>38,393</u>	<u>25,145</u>
		100,133	91,019
<b>Creditors: amounts falling due within one year</b>	16	<u>(79,625)</u>	<u>(60,752)</u>
<b>Net current assets</b>		<u>20,508</u>	<u>30,267</u>
<b>Total assets less current liabilities</b>		546,590	577,335
<b>Creditors: amounts falling due after more than one year</b>	17	(976,956)	(918,790)
<b>Provisions for liabilities</b>	18	<u>(33,457)</u>	<u>(46,129)</u>
<b>Net liabilities</b>		<u>(463,823)</u>	<u>(387,584)</u>
<b>Capital and reserves</b>			
Called up share capital	21	-	-
Share premium account		30,969	30,365
Profit and loss account		<u>(494,792)</u>	<u>(417,949)</u>
<b>Total equity attributable to owners of the company</b>		<u>(463,823)</u>	<u>(387,584)</u>
<b>Total equity</b>		<u>(463,823)</u>	<u>(387,584)</u>

The financial statements on pages 21 to 58 were approved and authorised by the Board on 29 February 2024 and signed on its behalf by:



R D Edwards  
Director



# SSCP Spring Topco Limited

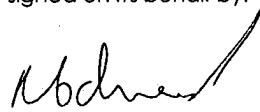
(Registration number: 09248650)

## Parent Company Balance Sheet as at 31 August 2023

	Note	2023 £ 000	2022 £ 000
<b>Fixed assets</b>			
Investments	12	<u>31,848</u>	<u>31,848</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	28,595	25,083
Debtors: amounts falling due within one year	14	<u>13,679</u>	<u>14,025</u>
		42,274	39,108
<b>Creditors: amounts falling due within one year</b>	16	<u>(20,392)</u>	<u>(20,398)</u>
<b>Net current assets</b>		<u>21,882</u>	<u>18,710</u>
<b>Total assets less current liabilities</b>		53,730	50,558
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(28,019)</u>	<u>(24,715)</u>
<b>Net assets</b>		<u>25,711</u>	<u>25,843</u>
<b>Capital and reserves</b>			
Called up share capital	21	-	-
Share premium account		33,108	32,654
Profit and loss account		<u>(7,397)</u>	<u>(6,811)</u>
<b>Total equity</b>		<u>25,711</u>	<u>25,843</u>

The company made a loss after tax for the financial year of £586,000 (2022: loss of £4,506,000).

The financial statements on pages 21 to 58 were approved and authorised by the Board on 29 February 2024 and signed on its behalf by:



R D Edwards  
Director

## SSCP Spring Topco Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 August 2023

	Called up share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 September 2021	-	30,365	(345,128)	(314,763)
Loss for the financial year	-	-	(72,821)	(72,821)
Total comprehensive expense	-	-	(72,821)	(72,821)
At 31 August 2022	-	30,365	(417,949)	(387,584)
	Called up share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 September 2022	-	30,365	(417,949)	(387,584)
Loss for the financial year	-	-	(76,843)	(76,843)
Total comprehensive expense	-	-	(76,843)	(76,843)
Share issue	-	604	-	604
At 31 August 2023	-	30,969	(494,792)	(463,823)

The notes on pages 27 to 58 form an integral part of these financial statements.

## SSCP Spring Topco Limited

### Parent Company Statement of Changes in Equity for the Year Ended 31 August 2023

	Called up share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 September 2021	-	32,654	(2,305)	30,349
Loss for the financial year	-	-	(4,506)	(4,506)
Total comprehensive expense	-	-	(4,506)	(4,506)
At 31 August 2022	-	32,654	(6,811)	25,843

	Called up share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 September 2022	-	32,654	(6,811)	25,843
Loss for the financial year	-	-	(586)	(586)
Total comprehensive expense	-	-	(586)	(586)
Share issue	-	454	-	454
At 31 August 2023	-	33,108	(7,397)	25,711

The notes on pages 27 to 58 form an integral part of these financial statements.

## SSCP Spring Topco Limited

### Consolidated Cash Flow Statement for the Year Ended 31 August 2023

	Note	2023 £ 000	2022 £ 000
<b>Cash generated from operating activities</b>	22	108,566	108,163
Taxation (net) paid		<u>(5,412)</u>	<u>(8,377)</u>
<b>Net cash generated from operating activities</b>		<u>103,154</u>	<u>99,786</u>
<b>Cash flows from investing activities</b>			
Interest received		22	-
Purchase of subsidiary undertaking (net of cash acquired)	10	(5,224)	(5,693)
Acquisitions of tangible assets		(50,348)	(33,993)
Proceeds from sale of tangible assets		2,335	1,422
Acquisition of intangible assets		<u>-</u>	<u>(1,428)</u>
<b>Net cash used in investing activities</b>		<u>(53,215)</u>	<u>(39,692)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(39,860)	(40,123)
Proceeds from other borrowing draw downs		2,750	-
Repayment of debt of acquired company		-	(562)
Proceeds from issue of shares classified as liabilities		454	-
Payments to finance lease creditors		<u>(35)</u>	<u>(62)</u>
<b>Net cash (used in) /generated from financing activities</b>		<u>(36,691)</u>	<u>(40,747)</u>
<b>Net increase in cash and cash equivalents</b>		<b>13,248</b>	<b>19,347</b>
Cash and cash equivalents at the beginning of the year		<u>25,145</u>	<u>5,798</u>
Cash and cash equivalents at the end of the year		<u><u>38,393</u></u>	<u><u>25,145</u></u>

# SSCP Spring Topco Limited

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 1 Accounting policies

SSCP Spring Topco Limited ("the Company") is a private limited liability company limited by shares incorporated in England, United Kingdom.

The address of its registered office is: Atria, Spa Road, Bolton, BL1 4AG, England.

These financial statements were authorised for issue by the Board on 29 February 2024.

#### Statement of compliance

The Group and individual financial statements of its subsidiaries have been prepared in compliance with UK 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.

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

#### Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company 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 Company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its own profit and loss account.

The financial statements have been prepared in Sterling, which is the functional currency, and rounded to the nearest £000.

#### Summary of exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings (together, the "Group") up to 31 August 2023. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiary undertakings acquired in the period are included in the consolidated statement of comprehensive income from the date of acquisition.

The financial statements of the Employee Benefit Trust ("EBT") are incorporated into the results of the Group as, although they are administered by independent Trustees and their assets are held separately from those of the Group, in practice the Group's advice on how the assets are used for the benefit of employees is normally accepted. Transactions of the EBT are treated as being those of the Group and are therefore reflected in the consolidated financial statements. In particular, the EBT's purchases and sales of shares and loan stocks in the company are debited and credited directly to equity.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

# SSCP Spring Topco Limited

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Going concern

On 19th December 2023 the Group confirmed it had secured acquirers for the Education business, disposing of SSCP Spring Midco 1A Limited and all subsidiaries. The process allowed the Group to repay all third party debt, including the PIK notes, and the SSCP Spring Midco 1 Limited loan notes and preference shares.

A new financing facility was put in place with an existing lending group, as well as a new revolving credit facility.

Given the Group had been trading on a separate basis since September 2022, there is no ongoing impact on the management of the group.

The Group meets its day to day working capital requirements through its long-term bank facilities. The directors believe that it is appropriate to prepare the financial statements on a going concern basis, the board having considered the following in particular:

- The Group has net current assets of £20.5m (2022: net current assets of £30.3m).
- The Group has total net liabilities of £463.8m (2022: £387.6m). Bank loans amounting to £510.0m were refinanced in the year ending 31 August 2019 and are repayable in full on 18 July 2025.
- The Group recorded a loss of £76.8m (2022: £72.8m) for the year under review, after reflecting non-cash interest costs of £51.6m (2022: £43.4m) and amortisation of intangible assets amounting to £56.4m (2022: £55.1m).

The Group generated an operating cash inflow in the year under review of £47.2m (2022: £59.7m inflow), net of cash interest costs of £56.0m (2022: £40.1m) and at 31 August 2023 held cash balances amounting to £38.4m (2022: £25.1m).

Cash balances are retained within the business to support future development plans such as improvement and expansion spend on its schools, offices, foster parent training facilities and residential care homes. The Group also has access to a revolving credit facility of £5m of which £2.5m was drawn down as at 29th February 2024.

The underlying trading performance of the business is strong, further supported by the acquisitions of schools and associated local residential care homes during the year. In June 2023 a detailed annual budget for the year to 31 August 2024 was produced. This, together with business modelling and financial forecasts for a further two years, predicts further growth. This budget and the forecasts were thoroughly reviewed and approved by the Board and also provided to the lenders of the senior loan facilities. Detailed forecasts including a severe but plausible downside were prepared, showing that there is sufficient cash headroom for the Group to meet its liabilities as they fall due and that all covenant requirements under the loan arrangement will be met in the foreseeable future and, accordingly, they have determined it is appropriate to prepare the financial statements on a going concern basis.

### Adjusting events after the financial period

### Key accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Impairment of intangible assets and goodwill

The Group considers whether there are triggers for impairment in respect of intangible assets and/or goodwill. FRS 102 Section 27 includes both internal and external indicators to identify if an impairment review is required which requires judgement. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flow of the cash generating units and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

- **Tangible fixed assets**

The annual depreciation and amortisation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

- **Provisions**

Provisions are made for dilapidations, onerous contracts and other specific obligations. This requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations requires management's judgement.

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

#### **Revenue recognition**

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance.

In relation to the provision of foster care, turnover is recognised on the basis of the daily placements made with a full day's revenue recognised for every night a placement is with a foster carer. In relation to the provision of education and residential care, revenue is recognised pro-rata (on a straight-line basis) over the relevant period that the student or resident is enrolled and receiving care.

Revenue is measured at the fair value of the consideration received, excluding VAT and discounts.

#### **Exceptional items**

The Group classifies certain irregular charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Employee benefits

The Group provides a range of benefits to employees including paid holiday arrangements, annual bonus arrangements, defined contribution pension plans, life insurance cover and private health care.

- Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

- Pensions

The Group operates a number of defined contribution plans for its employees. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

Pension contributions are made in respect of certain eligible teaching staff to the Teachers Pension Agency which is a "Multi-Employer" pension scheme. Based on consultations the directors are unable to identify the Group's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Consequently, the Group treats the scheme as a defined contribution scheme with contributions charged to profit and loss as they become payable in accordance with the rules of the scheme.

- Annual bonus plan

The Group operates a number of annual bonus plans for certain employees. An expense is recognised in profit and loss when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

#### Current and deferred tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax legislation is open to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences which are differences between taxable profits and total income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date, other than in respect of the initial recognition of goodwill. Deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured by using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

#### Business Combinations and Goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Group's interest in the identifiable net assets and liabilities acquired. Goodwill is amortised over its useful economic life which the Group estimates to be 10 years. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to profit and loss. Reversals of impairment are recognised only when the reasons for the impairment no longer apply.



## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### **Intangible assets**

Intangible assets that are recognised as part of a business combination are initially recognised at fair value.

Fair value is determined as follows. Customer Relationships are valued on the basis of a multi-period excess earnings method; Brands are valued on the basis of a relief from royalty model and; Foster Care Base is valued on a replacement cost basis.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful economic lives, as follows:

Foster Carer Base - 5 years

Brand - 10 years

Customer relationships - 10 years

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

In the year ended 31 August 2019 the Group adopted a change in its recognition of, 'Intangible Assets other than Goodwill', available under, 'Amendments to FRS 102 – Triennial Review 2017'.

For business combinations prior to 1 September 2018, the recognition policy for Intangibles other than Goodwill was;

Intangible assets which are non-monetary, non-physical assets are recognised if they:

- are separable, i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability;

or

- arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

For acquisitions after 1 September 2018 a new recognition policy has been adopted as permitted under 'Amendments to FRS 102 – Triennial Review 2017'. Non-Goodwill intangibles are recognised where they meet all three of the following criteria:

- (a) it is probable that the benefits arising from the asset will flow to the Company

- (b) the intangible asset arises from contractual or other legal rights; and

- (c) the intangible asset is separable (i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged either individually or together with a related contract, asset or liability).

This accounting treatment has been applied to all acquisitions made by the Group from the year ended 31st August 2019 onwards.

Under the provisions of 'Amendments to FRS 102 – Triennial Review 2017', a restatement of the accounting for previous business combinations was not required.

#### **Tangible assets**

Tangible assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Depreciation

Freehold land is not depreciated. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2% straight line
Short leasehold land and buildings	Straight line over lease term
Plant and machinery	15% straight line
Fixtures, fittings and equipment	15-33% straight line
Motor vehicles	25% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and reward of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight line basis.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at the lower of their fair value at inception of the lease and the present value of the minimum lease payments and are depreciated over the shorter of the lease term and the useful lives. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Comprehensive Income so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### Investments - Company

Investments in subsidiary undertakings are stated at cost less accumulated impairment losses.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### Provisions and contingencies

##### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

##### Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### • Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### • Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans 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 the future receipts discounted at a market rate of interest.

Costs related to securing debt and loans have been netted against the face value of the debt. These costs are amortised to the consolidated profit and loss account as part of interest payable and similar charges over the term of the debt.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated, unless, in the opinion of the directors, separate disclosure is necessary to understand the effects of the transactions on the Group's financial statements.

#### Stock

Stock is stated at the lower of cost and net realisable value.

At each reporting date, stocks are assessed for impairment. If impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 2 Turnover

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

	2023 £ 000	2022 £ 000
Rendering of services	<u>496,923</u>	<u>443,676</u>

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

#### 3 Operating profit

Operating profit is stated after charging/(crediting)

	2023 £ 000	2022 £ 000
Depreciation expense of owned assets	20,861	18,509
Depreciation of assets held under finance lease and hire purchase contracts	5	5
Amortisation expense	56,369	55,123
Operating lease charges	8,523	6,055
Profit on disposal of tangible assets	<u>(1,995)</u>	<u>(528)</u>

Earnings before interest, taxes, depreciation and amortisation for the year amounted to £102.0m (2022: £87.2m), having reflected an operating profit of £26.8m (2022: £14.1m) and amortisation and depreciation of £77.2m (2022: £73.6m) as per the table above.

Exceptional items:

	2023 £ 000	2022 £ 000
Restructuring and integration costs	<u>4,170</u>	<u>4,899</u>

Exceptional costs for the year ended 31 August 2023 relate to business restructuring and disposal preparation costs. Exceptional costs for the year ended 31 August 2022 related to a one-off strategic business review project.

Fees payable to the company's auditors:

	2023 £ 000	2022 £ 000
Audit of the financial statements	49	39
Audit of subsidiary financial statements	738	795
Audit-related assurance services	-	6
Total amount payable to the company's auditors	<u>787</u>	<u>840</u>

#### 4 Interest receivable and similar income

	2023 £ 000	2022 £ 000
Interest income on bank deposits	<u>22</u>	<u>-</u>

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 5 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Interest on loans and borrowings	55,957	39,976
Interest on preference shares	19,428	17,042
Amortisation of deferred finance fees	3,846	3,785
Interest on investor loan notes	32,141	26,304
Interest on obligations under finance leases and hire purchase contracts	13	13
	<u>111,385</u>	<u>87,120</u>

#### 6 Staff costs

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

	2023 £ 000	2022 £ 000
Wages and salaries	171,812	156,432
Social security costs	16,504	15,053
Other pension costs	9,248	5,189
	<u>197,564</u>	<u>176,674</u>

The average monthly number of persons employed by the group (including directors) during the year, was as follows:

	2023 No.	2022 No.
Teaching, care and administrative staff	<u>5,934</u>	<u>5,892</u>

#### Company

The company had no employees during the period under review (2022: nil).

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £ 000	2022 £ 000
Remuneration	1,635	946
Contributions paid to money purchase schemes	4	4
	<u>1,639</u>	<u>950</u>

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

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

In respect of the highest paid director:

	2023 £ 000	2022 £ 000
Remuneration	<u>937</u>	<u>546</u>

#### 8 Tax on loss

Tax charged in the Consolidated Statement of Comprehensive Income

	2023 £ 000	2022 £ 000
<b>Current taxation</b>		
UK corporation tax	7,340	5,242
UK corporation tax adjustment in respect of prior periods	<u>(851)</u>	<u>675</u>
Total current tax	<u>6,489</u>	<u>5,917</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(7,409)	(5,625)
Arising from changes in tax rates and laws	(439)	(256)
Arising from adjustment in respect of prior periods	<u>(6,389)</u>	<u>(200)</u>
Total deferred taxation	<u>(14,237)</u>	<u>(6,081)</u>
Total tax credit	<u>(7,748)</u>	<u>(164)</u>

#### Factors affecting current tax charge for the year

The tax on loss for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 21.52% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Loss before tax	<u>(84,591)</u>	<u>(72,985)</u>
Corporation tax at standard rate	(18,200)	(13,867)
Effects of:		
Effect of expense not deductible in determining taxable profit/(tax loss)	18,131	13,484
UK deferred tax expense/(credit) relating to changes in tax rates or laws	(439)	(256)
Adjustment for prior period	<u>(7,240)</u>	<u>475</u>
Total tax credit	<u>(7,748)</u>	<u>(164)</u>

Non deductible expenses relate to amortisation of intangibles (including goodwill) and shareholders' interest treated as non allowable.

# SSCP Spring Topco Limited

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Factors that may affect future tax charges

Deferred tax has been calculated at 25%, reflecting the enacted rate applicable from 1 April 2023 at the balance sheet date.

In the Finance Bill 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remain at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. The effects are included in these financial statements.

### Deferred tax

#### Group

The movement in the deferred tax liability in the period is as follows:

	<b>Liability £ 000</b>
At 1 September 2022	(44,633)
Provisions used in the year	<u>14,237</u>
At 31 August 2023	<u><u>(30,396)</u></u>

The analysis of deferred tax assets and liabilities is as follows:

<b>31 August 2023</b>	<b>Liability £ 000</b>
Accelerated capital allowances	1,720
Other timing differences	333
Tax losses available	1,824
Acquired intangible assets	(9,625)
Acquired tangible assets	<u>(24,648)</u>
	<u><u>(30,396)</u></u>

<b>31 August 2022</b>	<b>Liability £ 000</b>
Accelerated capital allowances	(6,670)
Other timing differences	441
Tax losses available	522
Acquired intangible assets	(13,767)
Acquired tangible assets	<u>(25,159)</u>
	<u><u>(44,633)</u></u>

#### Company

The company has no deferred tax provision at 31 August 2023 (2022: £Nil).

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 9 Intangible assets

##### Group

	Goodwill £ 000	Foster carer base £ 000	Customer relationships £ 000	Brand £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2022	395,088	14,062	93,972	70,658	573,780
Acquired through business combinations	6,006	-	-	-	6,006
At 31 August 2023	401,094	14,062	93,972	70,658	579,786
<b>Accumulated Amortisation</b>					
At 1 September 2022	192,966	13,954	62,630	47,035	316,585
Amortisation charge	39,801	105	9,397	7,066	56,369
At 31 August 2023	232,767	14,059	72,027	54,101	372,954
<b>Net book amount</b>					
At 31 August 2023	168,327	3	21,945	16,557	206,832
At 31 August 2022	202,122	108	31,342	23,623	257,195

Included in intangible asset additions of £6,006,000 is £6,502,000 relating to the acquisition described in note 10 below and a reduction in goodwill of £496,000 relating to investment cost variations on prior year acquisitions.

The individual assets, excluding goodwill, which are material to the financial statements are:

	Carrying amount £ 000	Remaining amortisation period (years)
<b>At 31 August 2023:</b>		
<b>Brand</b>		
Belton Associates (Group Holdings) Limited and subsidiaries	5,411	1.6
Independent Foster Care Services Limited	158	2
Outcomes First 1 Limited (formerly known as Acorn Care 1 Limited) and subsidiaries	10,518	2.9
Child Care Bureau Limited	155	4.8
Brighter Futures Foster Care Limited	256	4.9
<b>Customer Relationships</b>		
Belton Associates (Group Holdings) Limited and subsidiaries	7,610	1.6
Independent Foster Care Services Limited	265	2
Outcomes First 1 Limited (formerly known as Acorn Care 1 Limited) and subsidiaries	12,825	2.9
Child Care Bureau Limited	392	4.8
Brighter Futures Foster Care Limited	853	4.9



## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

The useful life of the carer base is based on the average time it would take the Group to recruit the number of carers that formed part of each acquisition. The useful life of brands and customer relationships is based on the expected use of those brands and relationships.

The Group considers whether intangible assets and/or goodwill are impaired. No indications of impairment were identified at the balance sheet date.

#### Company

The company had no intangible assets at 31 August 2023 (2022: £nil).

#### 10 Business combinations

On 21 February 2023, Acorn Care and Education Limited acquired 100% of the issued share capital of Crucible Education Limited and its subsidiaries Norton College (Worcester) Limited, Norton College (Tewkesbury) Limited and Botley Properties Limited for a total consideration of £7,690,000.

Crucible and its subsidiaries contributed £2,949,000 revenue and £328,000 loss to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the following table:

	Book values £000	Adjustments £000	Provisional Fair values £000
Tangible assets	210	24	234
Trade and other receivables	170	27	197
Cash	2,466	-	2,466
Trade and other payables	(2,101)	392	(1,709)
Total identifiable net assets	<u>745</u>	<u>443</u>	<u>1,188</u>
Goodwill			<u>6,502</u>
<b>Total</b>			<u><u>7,690</u></u>

Total consideration of £7,690,000 includes cash of £2,466,000 and directly attributable costs of £378,000.

For cashflow purposes the amounts are disclosed as consideration of £7,690,000, less cash balances acquired of £2,466,000; net total of £5,224,000.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 11 Tangible assets

##### Group

	Freehold land and buildings £ 000	Short leasehold land and buildings £ 000	Plant and machinery £ 000	Fixtures, fittings and equipment £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2022	246,910	32,964	1,674	64,325	5,387	351,260
Additions	15,381	10,409	146	22,439	1,973	50,348
Acquisitions	-	-	-	124	110	234
Disposals	(431)	-	-	(59)	(164)	(654)
At 31 August 2023	<u>261,860</u>	<u>43,373</u>	<u>1,820</u>	<u>86,829</u>	<u>7,306</u>	<u>401,188</u>
<b>Accumulated Depreciation</b>						
At 1 September 2022	21,151	4,802	754	31,906	2,774	61,387
Charge for the year	6,175	1,155	71	11,827	1,638	20,866
Eliminated on disposal	(121)	-	-	(42)	(152)	(315)
At 31 August 2023	<u>27,205</u>	<u>5,957</u>	<u>825</u>	<u>43,691</u>	<u>4,260</u>	<u>81,938</u>
<b>Net book amount</b>						
At 31 August 2023	<u>234,655</u>	<u>37,416</u>	<u>995</u>	<u>43,138</u>	<u>3,046</u>	<u>319,250</u>
At 31 August 2022	<u>225,759</u>	<u>28,162</u>	<u>920</u>	<u>32,419</u>	<u>2,613</u>	<u>289,873</u>

Included in Freehold land and buildings is £nil of assets under construction (2022: £2,725,000).

Included in the Net book value at 31 August 2023 is £5,790,000 relating to Assets held for sale (2022: £nil)

##### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023 £ 000	2022 £ 000
Leasehold buildings	<u>212</u>	<u>216</u>

##### Company

The company had no tangible assets at 31 August 2023 (2022: £nil).

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 12 Investments

##### Company

	2023 £ 000	2022 £ 000
Investments in subsidiaries	31,848	31,848

##### Subsidiaries

£ 000

##### Cost

At 1 September 2022	31,848
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At 31 August 2023	31,848
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##### Carrying amount

At 31 August 2023	31,848
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At 31 August 2022	31,848
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The cost and carrying value represents the company's investment in its immediate subsidiary undertaking SSCP Spring Midco 1 Limited.

#### 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	Principal activity
<b>Subsidiary undertakings</b>			
SSCP Spring Midco 1 Limited*	England & Wales	100%	Holding of investments and financing for the Group
SSCP Spring Midco 1A Limited*~	England & Wales	100%	Holding of investments and financing for the Group
SSCP Spring Midco 1B Limited*~	England & Wales	100%	Holding of investments and financing for the Group
SSCP Spring Midco 2 Limited*~	England & Wales	100%	Holding of investments and financing for the Group
SSCP Spring Bidco Limited (formerly known as Outcomes First Group Limited)*~	England & Wales	100%	Holding of investments and financing for the Group
NFAG Limited*	England & Wales	100%	Holding of investments and properties
NFAH Limited*	England & Wales	100%	Holding of investments
The National Fostering Agency Limited*	England & Wales	100%	Provision of foster care services
The National Fostering Agency (Scotland) Limited*	England & Wales	100%	Provision of foster care services

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
The Foster Care Agency Limited*	England & Wales	100%	Provision of foster care services
NFA Partnerships Limited*	England & Wales	100%	Holding of investments
NFAP Limited*	England & Wales	100%	Holding of investments
Children First Fostering Agency Limited*	England & Wales	100%	Provision of foster care services
Alliance Foster Care Limited*	England & Wales	100%	Provision of foster care services
Alpha Plus Fostering Limited*	England & Wales	100%	Provision of foster care services
Jay Fostering Limited*	England & Wales	100%	Provision of foster care services
Care Administration & Management Services Limited*	England & Wales	100%	Provision of foster care services
Kindercare Fostering Northern Ireland Limited*** ^	Northern Ireland	100%	Provision of foster care services
Kindercare Fostering Limited*	England & Wales	100%	Dormant
Fostering Relations Limited**** ^	Scotland	100%	Provision of foster care services
Archway Care Limited*	England & Wales	100%	Provision of foster care services
Independent Foster Care Services Limited*	England & Wales	100%	Provision of foster care services
National Fostering Group Limited (formerly known as Belton Associates Limited)*	England & Wales	100%	Holding of investments and the provision of management services for the group
Belton Associates Holdings Limited*	England & Wales	100%	Holding of investments
Belton Associates (Group Holdings) Limited*	England & Wales	100%	Holding of investments and financing for the Group
Belton Associates Group Limited*	England & Wales	100%	Holding of investments
Outcomes First 1 Limited (formerly known as Acorn Care 1 Limited)*~	England & Wales	100%	Holding of investments
Outcomes First 2 Limited (formerly known as Acorn Care 2 Limited)*~	England & Wales	100%	Holding of investments
Outcomes First 3 Limited (formerly known as Acorn Care 3 Limited)*~	England & Wales	100%	Holding of investments
Outcomes First 4 Limited (formerly known as Acorn Care 4 Limited)*~	England & Wales	100%	Holding of investments
Acorn Care and Education Limited*~	England & Wales	100%	Holding of investments and the provision of management services for the Group
Acorn Norfolk Limited*~	England & Wales	100%	Provision of care and education services
Acorn Academies Limited*~	England & Wales	100%	Dormant
Advance Foster Care Limited*	England & Wales	100%	Dormant

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
Ascot College Limited*~	England & Wales	100%	Non-trading
Belmont School Limited*~	England & Wales	100%	Provision of care and education services
Bramfield House School Limited*~	England & Wales	100%	Provision of care and education services
Careforward Limited*	England & Wales	100%	Dormant
Crookhey Hall Limited*~	England & Wales	100%	Provision of care and education services
Focus on Fostering Limited*	England & Wales	100%	Provision of foster care services
Fostering Solutions Limited*	England & Wales	100%	Provision of foster care services
Fostering Solutions (Hitchin) Limited*	England & Wales	100%	Provision of foster care services
Fostering Solutions (Northern) Limited* ^	England & Wales	100%	Provision of foster care services
Happen Fostercare Limited*	England & Wales	100%	Dormant
Happen Holdings Limited*	England & Wales	100%	Dormant
Heath Farm 2 Limited (formerly known as Heath Farm Fostering Agency Limited)*~	England & Wales	100%	Dormant
Heath Farm Family Services Limited*	England & Wales	100%	Provision of foster care services
Heath Farm Limited*~	England & Wales	100%	Holding of investments
Hopscotch Solutions Limited*~	England & Wales	100%	Provision of care and education services
JAFA North East UK Limited*	England & Wales	100%	Dormant
JAFA (Pipss) Limited*	England & Wales	100%	Dormant
Kestrel House London Limited*~	England & Wales	100%	Provision of care and education services
Kestrel House School Limited*~	England & Wales	100%	Holding of investments
Kids and Carers Limited*	England & Wales	100%	Dormant
Knossington Grange School Limited*~	England & Wales	100%	Provision of care and education services
Longdon Hall School Limited*~	England & Wales	100%	Provision of care and education services
Meadowcroft Residential Schools Limited*~	England & Wales	100%	Provision of care and education services
National Fostering Agency West Limited*	England & Wales	100%	Provision of foster care services
Partners in Parenting Limited*	England & Wales	100%	Dormant
Pathway Care (Bristol) Limited*	England & Wales	100%	Provision of foster care services
Pathway Care (Holdings) Limited*	England & Wales	100%	Holding of investments
Pathway Care (Midlands) Limited*	England & Wales	100%	Provision of foster care services

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
Pathway Care Group Limited*	England & Wales	100%	Holding of investments
Pathway Care Solutions Group Limited*~	England & Wales	100%	Provision of residential care services
Pathway Care Solutions Limited*~	England & Wales	100%	Provision of residential care services
Pathway Care Solutions II Limited*~	England & Wales	100%	Provision of residential care services
Pathway Care South West Limited*	England & Wales	100%	Provision of foster care services
Pentangle Management and Consultancy Limited*	England & Wales	100%	Dormant
The Clarion Agency*	England & Wales	100%	Dormant
Threemilestone Education Limited*~	England & Wales	100%	Provision of care and education services
Underley Education Services Limited*~	England & Wales	100%	Provision of care and education services
Underley Schools Limited*~	England & Wales	100%	Provision of care and education services
Waterloo Lodge School Limited*~	England & Wales	100%	Provision of care and education services
Child Care Bureau Limited*	England & Wales	100%	Provision of foster care services
Brighter Futures Foster Care Limited*	England & Wales	100%	Provision of foster care services
House of Falkland Limited#~	Scotland	100%	Provision of care and education services
Westfield Jacob Limited#~	Scotland	100%	Provision of care and education services
Family Placement.com Limited*	England & Wales	100%	Provision of Foster Care Services
Reach-Out Care Limited*^	England & Wales	100%	Provision of Foster Care Services
Acorn Academy of Direct Learning Limited*~	England & Wales	100%	Provision of education services
Boston Holdco A Limited*~	England & Wales	100%	Holding of investments
Hillcrest Childrens Services (2) Ltd*~	England & Wales	100%	Provision of care and education services
Hillcrest Childrens Services Limited*~	England & Wales	100%	Provision of care and education services
Options Autism (1) Ltd*~	England & Wales	100%	Provision of care and education services
Options Autism (2) Ltd*~	England & Wales	100%	Provision of care and education services
Options Autism (3) Ltd*~	England & Wales	100%	Provision of care and education services
Options Autism (4) Ltd*~	England & Wales	100%	Provision of care and education services

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
Options Autism (5) Ltd*~	England & Wales	100%	Provision of care and education services
Options Autism (6) Ltd*~	England & Wales	100%	Provision of care and education services
Options Autism (7) Ltd*~	England & Wales	100%	Provision of care and education services
Options Autism (8) Ltd*~	England & Wales	100%	Provision of care and education services
Family Options Ltd*~	England & Wales	100%	Dormant
Hillcrest Care Properties Ltd*~	England & Wales	100%	Dormant
Hillcrest Learning Disability Services Ltd*~	England & Wales	100%	Dormant
Newco Options (2) Ltd*~	England & Wales	100%	Dormant
Options Autism (1.1) Ltd*~	England & Wales	100%	Dormant
Options Autism (1.2) Ltd*~	England & Wales	100%	Dormant
Summacare Ltd*~	England & Wales	100%	Dormant
Surecare 365 Ltd*~	England & Wales	100%	Dormant
Young Options Ltd*~	England & Wales	100%	Dormant
Hillcrest Care Developments Ltd*~	England & Wales	100%	Holding of investments
Acorn Education and Care Services Ltd*~	England & Wales	100%	Holding of investments
Options Autism Holdings Ltd*~	England & Wales	100%	Holding of investments
Options Autism Services Ltd*~	England & Wales	100%	Holding of investments
Acorn Care & Education (Ops) Limited (formerly know as Options Central Services Ltd)*~	England & Wales	100%	Holding of investments
Options Group Holdings Ltd*~	England & Wales	100%	Holding of investments
Outcomes First Group Holdings Ltd*~	England & Wales	100%	Holding of investments
P Bloom Limited*~	England & Wales	100%	Holding of investments
Outcomes First Midco Ltd*~	England & Wales	100%	Holding of investments
Gilmourbanks Limited*~	England & Wales	100%	Provision of care and education services
High Trees Limited*~	England & Wales	100%	Provision of care and education services
A. W. Consultancy Limited*	England & Wales	100%	Provision of foster care services
Lesley Ann Consultancy Limited*	England & Wales	100%	Provision of foster care services
Next Step Fostering Services Limited*	England & Wales	100%	Provision of foster care services
Ryancare Fostering Limited*^	England & Wales	100%	Provision of foster care services
Ryancare Fostering South East Limited*	England & Wales	100%	Provision of foster care services
Safehouses Limited*^	England & Wales	100%	Provision of foster care services

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
Safehouses Fostering Limited*	England & Wales	100%	Provision of foster care services
3 Dimensions Care Limited*~	England & Wales	100%	Provision of care and education services
Bryn Melyn Care Limited*~	England & Wales	100%	Provision of care and education services
Enhanced Childrens Services Limited*~	England & Wales	100%	Provision of care and education services
Enhanced Foster Care Limited*	England & Wales	100%	Provision of foster care services
Enhanced Learning Services Limited*~	England & Wales	100%	Provision of care and education services
Enhanced Parent and Child Services Ltd*~	England & Wales	100%	Provision of care and education services
Wessex College Limited*~	England & Wales	100%	Provision of care and education services
Care First Management Services Limited*~	England & Wales	100%	Provision of care and education services
Community Prospects CIC*~	England & Wales	100%	Provision of care and education services
The London Children's Practice (2009) Limited*~	England & Wales	100%	Provision of clinical services
Respite Breaks Limited*~	England & Wales	100%	Provision of care and education services
WP Associates Limited*~	England & Wales	100%	Provision of clinical services
Crucible Education Limited*~	England & Wales	100%	
Norton College (Tewkesbury) Limited*~	England & Wales	100%	Provision of care and education services
Norton College (Worcester) Limited*~	England & Wales	100%	Provision of care and education services
Botley Properties Limited*~	England & Wales	100%	Provision of property services
SSCP Spring Midco 3A Limited*	England & Wales	100%	Holding of investments
SSCP Spring Midco 3B Limited*	England & Wales	100%	Holding of investments
SSCP Spring Bidco 3 Limited*	England & Wales	100%	Holding of investments

^ Kindercare Fostering Northern Ireland Limited, Fostering Relations Limited, Fostering Solutions (Northern) Limited, Reach-Out Care Limited, Ryancare Fostering Limited and Safehouses Limited are private companies limited by guarantee; the holding therefore represents sole membership. All other holdings are Ordinary share capital.

SSCP Spring MidCo 1 Limited is held directly by the company. All other investments are held indirectly by a subsidiary undertaking.

All undertakings operate within their country of operation and are included within the consolidated financial statements.



## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

The registered office address of subsidiary undertakings is as indicated and follows:

\* Atria, Spa Road, Bolton, England. BL1 4AG

\*\*\* Unit 24 Castlereagh Industrial Estate, 40 Montgomery Road, Belfast, Northern Ireland. BT6 9HL

\*\*\*\* East Gateway, Beancross Road, Grangemouth, Falkirk. FK3 8WH

# Falkland House School, Falkland Estate, Falkland, Scotland. KY15 7AE

~ denotes entities that have been disposed of post year end (December 2023)

#### 13 Stocks

	Group	
	2023 £ 000	2022 £ 000
Fuel stock	2	2

The difference between purchase price and replacement cost is not material.

#### Company

The company had no stock at 31 August 2023 (2022: £nil).

#### 14 Debtors

		Group		Company	
	Note	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade debtors		35,572	48,032	-	-
Amounts owed by group undertakings		-	-	29,109	26,377
Loans to related parties	23	-	321	1,259	321
Other debtors		6,071	2,502	10,071	10,460
Income tax asset	8	2,562	2,066	1,835	1,950
Accrued income		10,478	8,226	-	-
Prepayments		7,055	4,725	-	-
		61,738	65,872	42,274	39,108
Less non-current portion		-	-	(28,595)	(25,083)
Total current trade and other debtors		61,738	65,872	13,679	14,025

Trade debtors are stated after provisions for impairment of £2,467,000 (2022: £2,583,000).

#### Details of non-current trade and other debtors

##### Company

The Company holds unsecured loan notes of £9,550k (2022: £9,550k) issued by another group company, SSCP Spring Midco 1 Limited. These loan notes carry an interest rate of 14% and are repayable on 24 April 2025. Interest is capitalised and added to the outstanding loan balance on an annual basis. At 31 August 2023 the value of capitalised and accrued interest was £19,045k (2022: £15,533k); interest accrued in the year amounted to £3,512k (2022: £3,080k).

All other amounts owed by group undertakings are due within one year, are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 15 Cash at bank and in hand

	Group	
	2023 £ 000	2022 £ 000
Cash on hand	28	466
Cash at bank	38,365	24,679
	<u>38,393</u>	<u>25,145</u>

#### Company

The company had no cash at 31 August 2023 (2022: £nil).

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 16 Creditors: amounts falling due within one year

Note	Group		Company	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade creditors	8,284	9,958	-	359
Amounts owed to group undertakings	23	-	20,392	16,876
Other taxation and social security	8,181	7,623	-	-
Outstanding defined contribution pension costs	926	848	-	-
Obligations under finance lease and hire purchase contracts	22	44	-	-
Other creditors	4,009	1,033	-	-
Accruals and deferred income	58,203	41,246	-	3,163
	<u>79,625</u>	<u>60,752</u>	<u>20,392</u>	<u>20,398</u>

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

#### 17 Creditors: amounts falling due after more than one year

	Group		Company	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Bank loans and overdrafts	572,428	565,831	-	-
Loan notes	246,325	214,185	28,019	24,715
Preference shares	70,601	70,601	-	-
Interest accrued on preference shares	87,602	68,173	-	-
	<u>976,956</u>	<u>918,790</u>	<u>28,019</u>	<u>24,715</u>

#### Maturity of debt

The maturity of the sources of debt finance are as follows:

	Group		Company	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
<b>Amounts falling due between one to five years</b>				
Bank loans and overdrafts	572,428	565,831	-	-
Loan notes	246,325	214,185	28,019	24,715
Preference shares and interest accrued	158,203	138,774	-	-
	<u>976,956</u>	<u>918,790</u>	<u>28,019</u>	<u>24,715</u>
<b>Total due after one year</b>	<u>976,956</u>	<u>918,790</u>	<u>28,019</u>	<u>24,715</u>

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Bank loans

The Group's banking facilities are provided by a consortium of lenders.

The facilities consist of one £510,000,000 tranche which attracts an interest rate of SONIA plus between 5.75% and 6.25%. The facility is repayable in full on 18th July 2025.

In addition, the Group has a £40,000,000 capital expenditure and acquisitions facility to support developments of the Group on which it pays a non usage fee of 1.875%. As at 31st August 2023, this facility was fully utilised (2022: fully utilised). This capital expenditure and acquisitions facility is repayable in full on 18th July 2025.

In November 2020, the Group entered into additional banking facilities with the existing lending group to support its ongoing growth strategy. The additional facilities consist of £30.0m available to the Group on which it pays a non usage fee of 1.875%. As at 31st August 2023, this facility was fully utilised. The facility is repayable in full on 30th July 2025.

The Group also has a £10,000,000 revolving credit facility for general corporate purpose and working capital purpose on which it pays a non usage fee of 0.9%. As at 31st August 2023, this facility was undrawn (2022: undrawn). This revolving credit facility is repayable in full on 18th April 2025.

Interest accrued on bank loans at 31st August 2023 was £20.5m (2022: £4.4m).

Unamortised issue costs amounting to £7.6m (2022: £11.4m) have been offset against bank loans and are being amortised over the life of the loan.

The margins on these facilities may reduce in the future depending on the ratio of debt to earnings. The bank loans are secured by way of a fixed and floating charges across the Group's assets.

#### Investor loan notes

£41.0m (2022: £41.0m) of unsecured investor loan notes in the Group are held by SSCP Spring Holdings SCA, the ultimate parent undertaking. These loan notes carry an interest rate of 14% and are repayable in full on 24 April 2025. Interest is capitalised and added to the outstanding loan balance on an annual basis. At 31 August 2023 the value of capitalised interest was £93.1m (2022: £76.6m) with a further £6.3m interest accrued (2022: £5.6m).

£9.4m of unsecured investor loan notes in the Company are held by management and the EBT. At 31 August 2023 £4.8m of loan notes are held by the EBT (2022: £4.8m). The loan notes carry an interest rate of 14% per annum and are repayable in full on 24 April 2025. Interest is capitalised and added to the outstanding loan balance on an annual basis. At 31 August 2023 the value of capitalised interest was £17.5m (2022: £14.2m) with a further £1.1m interest accrued (2022: £1.1m).

Issue costs of £0.6m (2022: £0.8m) are outstanding and are being amortised over the period to July 2026.

The Company has £52m (2022: £52m) of variable rate investor loan notes which carry an interest rate of SONIA +11.0% per annum (2021: LIBOR+11% per annum) and are repayable in full on 30 July 2026. At 31 August 2023 the value of capitalised interest was £30.4m (2022: £22.2m).

#### Redeemable preference shares

The 14% cumulative redeemable preference shares on which interest of £19,428,000 (2022: £17,042,000) was accrued in the period, are redeemable on 24 April 2025.

#### Post balance sheet event

On 19th December 2023 the Group disposed of SSCP Spring Midco 1A Limited and all subsidiaries which allowed the Group to repay all third-party debt, including the PIK notes, and the SSCP Spring Midco 1 Limited loan notes and preference shares. Further information on the transaction and its effect on the Group financing is set out in note 27.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 18 Provisions for liabilities

##### Group

	Deferred tax £ 000	Onerous leases £ 000	Other provisions £ 000	Total £ 000
At 1 September 2022	44,633	337	1,159	46,129
Additional provisions	-	754	605	1,359
Disposals	-	-	(103)	(103)
Increase in provisions	-	389	-	389
Provisions used	(14,237)	(50)	(22)	(14,309)
Unused provision reversed	-	-	(8)	(8)
At 31 August 2023	<u>30,396</u>	<u>1,430</u>	<u>1,631</u>	<u>33,457</u>

##### Deferred tax

Provisions for deferred tax relates to intangible assets and tangible assets acquired in prior years through business combinations. The provisions will be released over the life of the assets to which they relate. Deferred tax in relation to intangible assets will be fully released by 2028. Deferred tax in relation to tangible assets will be fully released in 2069.

##### Onerous leases

Provision for onerous leases relates to a vacant lease property, calculated at the net present value of the unavoidable costs over the remainder of the lease term. The cost is charged to profit and loss on initial recognition and reviewed at each balance sheet date to ensure the provision remains appropriate. The provision will be utilised over the life of the related lease and is expected to be fully utilised by June 2030 when the lease expires.

##### Other provisions

##### Dilapidations

As part of the Group's property leasing arrangements there is an obligation to repair damages which are incurred during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between September 2023 and July 2027 as the leases terminate.

##### Company

The company had no deferred tax and other provisions at 31 August 2023 (2022: £nil).

#### 19 Capital commitments and operating leases

##### Capital commitments

Outstanding capital commitments at the year end in respect of property, plant and equipment:

	2023 £ 000	2022 £ 000
Not later than one year	<u>3,878</u>	<u>2,185</u>
	<u>3,878</u>	<u>2,185</u>

##### Company

The company had no capital commitments at 31 August 2023 (2022: £nil).

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

	2023 £ 000	2022 £ 000
Not later than one year	8,505	5,374
Later than one year and not later than five years	30,192	17,821
Later than five years	<u>63,246</u>	<u>28,364</u>
	<u>101,943</u>	<u>51,559</u>

#### Company

The company had no commitments under operating leases at 31 August 2023 (2022: £nil).

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The group operates defined contribution pensions schemes and contributes to the Teachers Pension Scheme for certain eligible teaching staff. The pension cost charge for the year represents contributions payable by the group to these schemes and amounted to £9,248,000 (2022: £5,189,000).

Contributions totalling £926,000 (2022: £848,000) were payable to the schemes at the end of the year and are included in creditors.

#### 21 Called up share capital

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

##### Group and Company

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
'A' Ordinary shares of £0.00010 each	1,155	0.115	1,155	0.115
'B1' Ordinary shares of £0.00100 each	51	0.051	84	0.084
'B2' Ordinary shares of £0.00100 each	125	0.125	92	0.092
'C' Ordinary shares of £0.00001 each	970	0.010	970	0.010
'G' Shares of £0.00001 (2022 - £0) each	121	0.001	-	-
	<u>2,422</u>	<u>0.302</u>	<u>2,301</u>	<u>0.301</u>

The rights of each of the classes of share in issue are the same except for voting rights as follows:

Voting rights: The ordinary shares, 'A' Ordinary shares and 'B1' Ordinary shares, have equivalent voting rights, being one vote. The 'B2' and 'G' shares do not carry voting rights. Preference shares do not carry voting rights except in the case of special resolutions.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 22 Notes to the cash flow statement

##### Reconciliation of loss for the financial period to cash flow from operating activities

	Note	2023 £ 000	2022 £ 000
<b>Cash flows from operating activities</b>			
Loss for the financial year		(76,843)	(72,821)
Amortisation expense	3	56,369	55,123
Depreciation expense	3	20,866	18,514
Profit on disposal of tangible assets	3	(1,995)	(528)
Finance income	4	(22)	-
Finance costs	5	111,385	87,120
Taxation expense	8	(7,748)	(164)
<b>Operating profit</b>		<b>102,012</b>	<b>87,244</b>
Decrease in stocks		-	52
Decrease in debtors		3,206	2,420
Increase in creditors		1,783	18,546
Increase/(decrease) in provisions		1,565	(99)
<b>Cash generated from operating activities</b>		<b>108,566</b>	<b>108,163</b>

##### Non-cash transactions excluded from the consolidated cash flow statement

	2023 £ 000	2022 £ 000
Investor Loan notes - accrued interest	32,141	26,341
Preference shares - accrued interest	19,428	17,042
Amortisation and write off of issue costs	3,846	3,785

Non-cash movements in relation to Investor Loan notes represents capitalised interest, loan notes held by the EBT and loan notes issued as part of business combinations. Other non cash movements include amortisation of issue costs.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 23 Related party transactions

SSCP Spring Holdings SCA, the ultimate parent undertaking, has a holding of 951,750 (2022: 951,750) 'A' ordinary shares and 970,197 (2022: 970,197) 'C' ordinary shares in the Company.

SSCP Spring Holdings SCA, the ultimate parent undertaking, holds preference shares in the Group of £70,600,769 (2022: £70,600,769 ) on which interest accrued in the year of £19,428,000 (2022: £17,042,000). Other investor loan stock held by SSCP Spring Holdings SCA has been disclosed in note 17.

J-L Janet is a Director of the Company. At 31 August 2023 J-L Janet owned 16,300 (2022: 16,300) 'A' Ordinary shares, 30,227 (2022: 30,227) 'B2' Ordinary shares in the Company and 7,550 'G' shares (2022: nil). On 31 August 2016 the Company advanced a loan to J-L Janet of £110,000. The loan was amended on 4 May 2018 to a 0% interest loan from the issue date. The loan can be repaid at any time without penalty, with a final repayment date of 31 August 2065. On 25 September 2020 the Company advanced a loan to J-L Janet of £124,448. The loan does not accrue interest and can be repaid at any time without penalty, with a final repayment date of 25 September 2069. The loan was increased to an amount of £161,972 on 6th June 2023.

D J Leatherbarrow is a Director of the Company. At 31 August 2023 D J Leatherbarrow owned 59,811 (2022: 59,811) 'A' Ordinary shares in the Company, 19,938 (2022: 19,938) 'B1' Ordinary shares in the Company, 13,806 (2022: 13,806) 'B2' Ordinary shares in the Company and 7,550 'G' shares (2022: nil). D J Leatherbarrow held £672,495 (2021: 672,495) of investor loan stock in the Company on which accrued interest at 31 August 2023 was £1,341,768 (2022: £1,094,402). On 25 September 2020 the Company advanced a loan to D J Leatherbarrow of £86,837. The loan does not accrue interest and can be repaid at any time without penalty, with a final repayment date of 25 September 2069. The loan was increased to an amount of £124,361 on 6th June 2023.

D J Quinn is a Director of the Company. At 31 August 2023 D J Quinn owned 4,784 (2022: 4,784) 'A' Ordinary shares in the Company. D J Quinn held £52,950 (2022: £52,950) of investor loan stock in the Company on which accrued interest at 31 August 2023 was £105,646 (2022: £86,170).

Stirling Square Capital Partners Jersey AIFM Limited, a company affiliated to SSCP Spring Holdings SCA, charged the Company £400,000 of monitoring fees for the year (2022: £400,000).

During the year, the Employee Benefit Trust purchased and sold certain shares and loan note from employees leaving or joining the Group.

Other than the transactions noted above, the Company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

#### Key management personnel

Key management comprises the directors. Remuneration of the directors can be found in note 7.



## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 24 Financial instruments

##### Group

The Group has the following financial instruments:

	2023 £ 000	2022 £ 000
<b>Financial assets that are debt instruments measured at amortised cost:</b>		
Trade debtors	35,572	48,032
Other debtors	6,065	2,823
	<u>41,637</u>	<u>50,855</u>
<b>Financial liabilities at amortised cost:</b>		
Bank loans and overdrafts	(572,428)	(565,831)
Investor loan notes	(246,325)	(214,185)
Preference shares	(70,601)	(70,601)
Finance leases	(22)	(44)
Trade creditors	(8,284)	(9,958)
Other creditors	(4,935)	(1,881)
Interest accrued on preference shares	(87,602)	(68,173)
	<u>(990,197)</u>	<u>(930,673)</u>

##### Company

The company has the following financial instruments:

	2023 £ 000	2022 £ 000
<b>Financial assets that are debt instruments measured at amortised cost:</b>		
Amounts owed by group undertakings	29,109	26,377
Other debtors	11,330	10,781
	<u>40,439</u>	<u>37,158</u>
<b>Financial liabilities at amortised cost:</b>		
Investor loan notes	(28,019)	(24,715)
Amounts owed to group undertakings	(20,392)	(16,876)
Trade creditors	-	(359)
Accruals	-	(3,163)
	<u>(48,411)</u>	<u>(45,113)</u>

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Net Debt

The below is an analysis of changes in net debt from the beginning to the end of the current reporting period:

	<b>Borrowings due after one year £ 000</b>	<b>Cash and cash equivalents £ 000</b>	<b>Net Debt £ 000</b>
Balance as at 1 September 2022	923,165	(25,145)	898,020
Interest paid	(39,860)	-	(39,860)
Interest expense	111,373	-	111,373
Drawdowns	2,750	-	2,750
Cash flows	-	(13,248)	(13,248)
Balance as at 31 August 2023	<u>997,428</u>	<u>(38,393)</u>	<u>959,035</u>

#### 25 Parent and ultimate parent undertaking

The ultimate parent is SSCP Spring Topco Limited, a company incorporated in England and Wales. The largest and smallest Group in which the results of the company are consolidated is that headed by SSCP Spring Topco Limited, Atria, Spa Road, Bolton, England, BL1 4AG.

SSCP Spring Holdings SCA, a company incorporated in Luxembourg, owns 83.51% (2022: 83.51%) of the Company'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.

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 26 Parental guarantee

For the year ending 31 August 2023, the parent undertaking has given a guarantee under section 479C of the Companies Act 2006 and therefore the list of subsidiary companies below are exempt from audit under section 479A of the Companies Act 2006

#### Subsidiary

A.W Consultancy Limited (05215200)  
Advance Foster Care Limited (04593517)  
Alliance Foster Care Limited (04249271)  
Alpha Plus Fostering Limited (06019106)  
Archway Care Limited (04387904)  
Belton Associate Holdings Limited (07877276)  
Belton Associates (Group Holdings) Limited (07875698)  
Belton Associates Group Limited (08033793)  
Brighter Futures Foster Care Ltd (06846257)  
Care Administration & Management Services Limited (02516955)  
Careforward Ltd (04627726)  
Child Care Bureau Limited (04222171)  
Children First Fostering Agency Limited (03894588)  
Enhanced Foster Care Limited (06192133)  
Family Placement.com Limited (04307071)  
Focus on Fostering Limited (04371679)  
Fostering Relations Limited (SC315438)  
Fostering Solutions (Hitchin) Limited (04614052)  
FosteringSolutions (Northern) Limited (05491569)  
FosteringSolutions Limited (04006225)  
Happen FosterCare Limited (04117111)  
Happen Holdings Limited (05883554)  
Heath Farm Family Services Limited (05470925)  
Independent Foster Care Services Limited (04645203)  
Jafa (PIPSS) Ltd (04485244)  
Jafa North-East UK Ltd (04938172)  
Jay Fostering Limited (04822721)  
Kids and Carers Ltd (04831259)  
Kindercare Fostering Ltd (03557291)  
Kindercare Fostering Northern Ireland Ltd (NI616776)  
Lesley Ann Consultancy Limited (05215210)  
National Fostering Agency West Limited (04665971)  
National Fostering Group Limited (FKA Belton Associates Limited) (07879023)  
Next Step Fostering Services Limited (05160087)  
NFA Partnerships Limited (06730289)  
NFAG Limited (05989704)  
NFAH Limited (05989700)  
NFAP Limited (06836218)  
Partners in Parenting Ltd (05958860)  
Pathway Care (Bristol) Limited (04792033)  
Pathway Care (Holdings) Limited (04659182)  
Pathway Care (Midlands) Limited (04792028)  
Pathway Care Group Limited (05552469)  
Pathway Care South West Limited (05798137)  
Pentangle Management and Consultancy Ltd (03241682)  
Reach-Out Care Limited (03816191)  
Ryancare Fostering Limited (04372220)  
Ryancare Fostering South East Limited (12396445)  
Safehouses Fostering Limited (04017017)

## SSCP Spring Topco Limited

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 26 Parental Guarantee (continued)

Safehouses Limited (03402034)  
The Clarion Agency Ltd (03323124)  
The Foster Care Agency Limited (04234023)  
The National Fostering Agency (Scotland) Limited (05480281)  
The National Fostering Agency Limited (03127814)

#### 27 Non adjusting events after the financial period

On 19th December 2023 the Group disposed of SSCP Spring Midco 1A Limited and all subsidiaries. SSCP Spring Midco 1A held the operating companies which owned the Group's network of schools and residential care homes which traded under the "Outcomes First Group" brand. Subsequent to the disposal, the Group will continue to operate a national network of fostering agencies which trades under the "National Fostering Group" brand.

The process allowed the Group to repay almost all third-party debt, including the PIK notes, the SSCP Spring Midco 1 Limited preference shares and the majority of the SSCP Spring Midco 1 Limited loan notes (balance remaining is £28k).

A new financing facility was put in place with an existing lending group, as well as a new revolving credit facility. The new facility consists of one £160,000,000 tranche which attracts an interest rate of SONIA plus between 6.0% and 6.5%. The facility is repayable in full on 22nd November 2030.

The Group also has a new £5,000,000 revolving credit facility for general corporate purpose and working capital purpose on which it pays a non-usage fee of 1.35%. The revolving credit facility is repayable in full on 22nd November 2028.