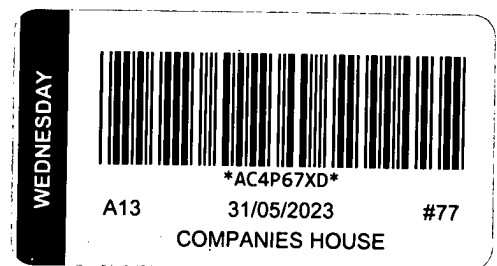


Registration number: 11942183

# SSCP Spring MidCo 1A Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2022



# **SSCP Spring MidCo 1A Limited**

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# **SSCP Spring MidCo 1A Limited**

## **Company Information**

<b>Directors</b>	D J Leatherbarrow J-L Janet
<b>Company secretary</b>	C Duffy
<b>Registered office</b>	Atria Spa Road Bolton BL1 4AG
<b>Independent Auditors</b>	KPMG LLP Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX

## SSCP Spring MidCo 1A Limited

### Strategic Report for the Year Ended 31 August 2022

The directors present their strategic report for the year ended 31 August 2022.

#### Principal activities

The company acts as an intermediate holding company of the SSCP Spring Topco Limited Group ("Group"). The Group provides a choice of education and care for young people through a network of schools, residential care homes and a national network of fostering agencies. The principal activity of the company is that of holding investments and financing for the Group.

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

#### Fair review of the business

The profit for the year, after taxation amounted to £815,000 (2021: £739,000).

As at 31 August 2022 the company was in a net asset position of £2,078,000 (2021: £1,263,000).

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

	2022 £ 000	2021 £000
Interest receivable and similar income	48,728	42,744
Interest payable and similar expenses	(47,728)	(41,832)

The company monitors its performance through robust monthly management accounts and a range of indicators across the schools. Further information on non financial key performance indicators can be found in the consolidated group accounts SSCP Spring Topco Limited.

#### Principal risks and uncertainties

##### Financial risks

The company's principal financial instruments comprise trade and other debtors, cash and cash equivalents, trade and other creditors and amounts owed to/from fellow Group companies.

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

##### Credit risk

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

Credit risk arising from the company acting as guarantor with respect to Group indebtedness to external lenders, is disclosed in the notes to the financial statements.

## SSCP Spring MidCo 1A Limited

### Strategic Report for the Year Ended 31 August 2022 (continued)

#### *Liquidity risk*

The company's liquidity risk 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 the company does have recourse to additional funding through Group banking facilities.

#### *Interest rate risk*

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

#### *Market price risk*

Due to the nature of their principal activity, the directors do not believe the Group is exposed to significant movements in market prices for its services.

In the current economic environment however, the Group's customers continue to operate under budget restrictions in addition to their statutory corporate parenting responsibilities. Through its regional management and commercial team, the Group maintains close contact with its customers at a number of levels and endeavours to provide innovative and value for money solutions to assist customers in meeting their desired levels of child focused outcomes whilst working within available budgets.

#### *Foreign currency risk*

The company has no exposure to foreign currency.

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

The Company, as part of the SSCP Spring Topco Limited Group ("the Group"), shares the same values, principals and practices with that of the wider Group. The board of directors of the Group believe, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole in the decisions taken during the year ended 31 August 2022, 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.

The company's key strategic priorities include a continual focus on improving the quality and scope of its business, increasing market share and delivering sustainable and reliable growth. The 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's 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 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 MidCo 1A Limited

### Strategic Report for the Year Ended 31 August 2022 (continued)

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:

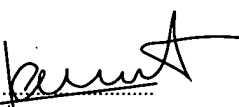
- A Safeguarding and Quality Committee, made up of three members who are independent from the main board and the Group Director of Quality & Compliance;
- A Remuneration Committee which ensures pay policies are fair and equitable;
- An Audit Committee; and
- An Investment Committee which reviews all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

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

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

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

Approved by the Board and signed on its behalf by:

  
.....  
J.L. Janet  
Director

24 May 2023

## **SSCP Spring MidCo 1A Limited**

### **Directors' Report for the Year Ended 31 August 2022**

The directors present their report and the audited financial statements for the year ended 31 August 2022.

#### **Directors of the company**

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

D J Leatherbarrow

J-L Janet

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

#### **Proposed dividend**

The directors do not recommend the payment of a dividend (2021: none).

#### **Political and charitable donations**

During the year the company made no political or charitable donations (2021: nil).

#### **Employees and employment policies**

The company has no employees.

#### **Stakeholder relations**

A strong emphasis is placed on developing sustainable and strategic relationships 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**

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

#### **Matters covered in the strategic report**

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

## SSCP Spring MidCo 1A Limited

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

#### Going concern

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

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

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

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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



## SSCP Spring MidCo 1A Limited

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

#### Directors' confirmations

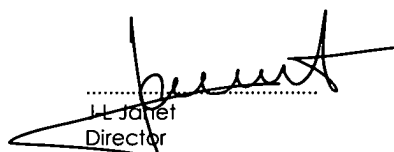
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Reappointment of auditors

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

Approved by the Board and signed on its behalf by:

  
.....  
J.L. Jaret  
Director

24 May 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING MIDCO 1A LIMITED**

### **Opinion**

We have audited the financial statements of SSCP Spring MidCo 1A Limited ("the company") for the year ended 31 August 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statements of Changes in Equity and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2022 and of the profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Other Matter**

The financial statements of SSCP Spring MidCo 1A Limited for the year ended 31 August 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 20 May 2022.

### **Going concern**

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

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

Our conclusions based on this work:

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

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

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

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

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

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

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation. These included revenue/deferred income and cash impacting journal entries posted to unusual accounts, journals posted by unusual users and journals posted to adjust EBITDA.

*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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSCP SPRING MIDCO 1A LIMITED- continued**

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

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

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

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

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

### **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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

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

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



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

*Chartered Accountants*

Quayside House 110

Newcastle upon Tyne

NE1 3DX

24 May 2023

## SSCP Spring MidCo 1A Limited

### Statement of Comprehensive Income for the Year Ended 31 August 2022

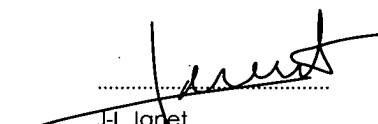
	Note	2022 £ 000	2021 £ 000
Interest receivable and similar income	3	48,728	42,744
Interest payable and similar expenses	4	<u>(47,728)</u>	<u>(41,832)</u>
Net interest receivable		<u>1,000</u>	<u>912</u>
Profit before tax		1,000	912
Tax on profit	5	<u>(185)</u>	<u>(173)</u>
Profit and Total comprehensive income for the financial year		<u><u>815</u></u>	<u><u>739</u></u>

**SSCP Spring MidCo 1A Limited**  
**(Registration number: 11942183)**  
**Balance Sheet as at 31 August 2022**

	Note	2022 £ 000	2021 £ 000
<b>Fixed assets</b>			
Investments	6	-	-
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	<u>396,784</u>	<u>348,055</u>
Total debtors		396,784	348,055
<b>Creditors: amounts falling due within one year</b>	8	<u>(604)</u>	<u>(418)</u>
<b>Net current assets</b>		<u>396,180</u>	<u>347,637</u>
<b>Total assets less current liabilities</b>		396,180	347,637
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(394,102)</u>	<u>(346,374)</u>
<b>Net assets</b>		<u><u>2,078</u></u>	<u><u>1,263</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		<u>2,078</u>	<u>1,263</u>
Total equity		<u><u>2,078</u></u>	<u><u>1,263</u></u>

Net current assets includes debtor amounts falling due after more than one year of £396,784k (2021: £348,055k). Excluding those amounts; net current liabilities would be £604k as at 31 August 2022 (2021: £418k).

The financial statements on pages 12 to 27, were approved by the Board and signed on its behalf by:

  
.....  
J-L Janet  
Director

24 May 2023

## SSCP Spring MidCo 1A Limited

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

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2020	-	524	524
Profit for the year	-	739	739
Total comprehensive income	-	739	739
At 31 August 2021	-	1,263	1,263
	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2021	-	1,263	1,263
Profit for the year	-	815	815
Total comprehensive income	-	815	815
<b>At 31 August 2022</b>	-	<b>2,078</b>	<b>2,078</b>



## SSCP Spring MidCo 1A Limited

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

#### 1 Accounting policies

SSCP Spring MidCo 1A Limited ("the company") is a private company limited by shares incorporated in England, United Kingdom.

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

#### Statement of compliance

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

#### Basis of preparation

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

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

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

#### Significant accounting policies

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

#### Summary of exemptions

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

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

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

#### Name of parent of group

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

#### Group financial statements not prepared

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

The financial statements present information about SSCP Spring MidCo 1A Limited as an individual company and do not contain consolidated financial information of it as a parent of its fellow group constituents. The results of the company and its group are included in the consolidated financial statements of SSCP Spring Topco Limited which are publicly available.

## **SSCP Spring MidCo 1A Limited**

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

#### **1 Accounting policies (continued)**

##### **Going concern**

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

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

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

##### **Critical judgements and estimates**

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

##### **Judgements**

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

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

- Recoverability of Amounts owed by Group Undertakings – When assessing the recoverability of amounts owed by group undertakings, management considers the group as a whole and rely on the letter of support provided by SSCP Spring Topco Limited.

##### **Estimates**

The following are the key sources of estimation uncertainty:

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

##### **Turnover**

The company did not generate any turnover in the year under review.

## SSCP Spring MidCo 1A Limited

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

#### 1 Accounting policies (continued)

##### Current tax

The tax expense for the year comprises current tax.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the rates and laws that have been enacted or substantively enacted by the reporting date.

##### Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

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

##### Basic financial instruments

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

Basic financial assets, comprising amounts due from group undertakings, are initially recognised at transaction price. Such assets are subsequently measured at amortised cost using the effective interest rate, less provision for impairment.

Basic financial liabilities, including amounts due to other group undertakings, loan notes and preference shares that are classified as debt, are initially recognised at transaction price and are subsequently measured at amortised cost, using the effective interest rate method.

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

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### 2 Operating profit

Audit fees for 2022 (£4,106) and 2021 (£3,682) were borne by another Group company without recharge.

The company had no employees, other than the directors, during the year under review (2021: None).

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

#### 3 Interest receivable and similar income

	2022 £ 000	2021 £ 000
Interest receivable from other group undertakings	<u>48,728</u>	<u>42,744</u>

## SSCP Spring MidCo 1A Limited

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

#### 4 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest on loans and borrowings	8,138	7,077
Amortisation of deferred finance costs	203	203
Interest payable to other group undertakings	39,387	34,550
Other finance costs	-	2
	<u>47,728</u>	<u>41,832</u>

#### 5 Tax on profit

Tax charged in the statement of comprehensive income

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>185</u>	<u>173</u>
Total current income tax	<u>185</u>	<u>173</u>

#### Factors affecting tax charge for the year

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

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	<u>1,000</u>	<u>912</u>
Corporation tax at standard rate	190	173
Tax increase from transfer pricing adjustments	<u>(5)</u>	<u>-</u>
Total tax charge	<u>185</u>	<u>173</u>

#### Factors that may affect future tax charges

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.

## SSCP Spring MidCo 1A Limited

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

#### 6 Investments

	Shares in group undertakings £
<b>Subsidiaries</b>	
<b>Cost and net book value</b>	
At 1 September 2021	1
At 31 August 2022	1

#### 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 1B Limited (formerly DMWSL 903 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
Belton Associates (Group) Limited*	England & Wales	100%	Holding of investments
Belton Associates (Holdings) Limited*	England & Wales	100%	Holding of investments
National Fostering Group Limited (formerly Belton Associates Limited)*	England & Wales	100%	Holding of investments and the provision of management services for the Group
NFAH Limited*	England & Wales	100%	Holding of investments
NFAG Limited*	England & Wales	100%	Holding of investments and properties
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
The FosterCare 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

## SSCP Spring MidCo 1A Limited

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

#### 6 Investments (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
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 and Management Services Limited*	England & Wales	100%	Provision of foster care services
Kindercare Fostering Limited*	England & Wales	100%	Dormant
Kindercare Fostering Northern Ireland Limited*** ^	Northern Ireland	100%	Provision of foster care services
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
Outcomes First 1 Limited (formerly Acorn Care 1 Limited)*	England & Wales	100%	Holding of investments
Outcomes First 2 Limited (formerly Acorn Care 2 Limited)*	England & Wales	100%	Holding of investments
Outcomes First 3 Limited (formerly Acorn Care 3 Limited)*	England & Wales	100%	Holding of investments
Outcomes First 4 Limited (formerly 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
Ascot College Limited*	England & Wales	100%	Provision of care and education services
Belmont School Limited*	England & Wales	100%	Provision of care and education services
Careforward Limited*	England & Wales	100%	Dormant
Bramfield House School*	England & Wales	100%	Provision of care and education services
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

## SSCP Spring MidCo 1A Limited

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

#### 6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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 Limited*	England & Wales	100%	Holding of investments
Heath Farm Family Services Limited*	England & Wales	100%	Provision of foster care and education services
Heath Farm Fostering Agency Limited*	England & Wales	100%	Dormant
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%	Provision of foster care services
Pathway Care (Bristol) Limited*	England & Wales	100%	Provision of foster care services
Pathway Care Group Limited*	England & Wales	100%	Holding of investments
Pathway Care (Holdings) Limited*	England & Wales	100%	Holding of investments
Pathway Care (Midlands) Limited*	England & Wales	100%	Provision of foster care services
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

## SSCP Spring MidCo 1A Limited

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

#### 6 Investments (continued)

<b>Undertaking</b>	<b>Country of Incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
Threemilestone Education Limited*	England & Wales	100%	Provision of care and education services
Pentangle Management and Consultancy Limited*	England & Wales	100%	Dormant
The Clarion Agency*	England & Wales	100%	Dormant
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
Brighter Futures Foster Care Ltd*	England & Wales	100%	Provision of foster carer services
Child Care Bureau Limited*	England & Wales	100%	Provision of foster carer 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 carer services
Reach Out Care Limited*^	England & Wales	100%	Provision of foster carer 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 Limited*	England & Wales	100%	Provision of care and education services
Hillcrest Childrens Services (2) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (1) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (2) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (3) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (4) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (5) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (6) Limited*	England & Wales	100%	Provision of care and education services
Options Autism (7) Limited*	England & Wales	100%	Provision of care and education services



## SSCP Spring MidCo 1A Limited

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

#### 6 Investments (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Percentage</b>	<b>Principal activity</b>
Options Autism (8) Limited*	England & Wales	100%	Provision of care and education services
Family Options Limited*	England & Wales	100%	Dormant
Hillcrest Care Properties Limited*	England & Wales	100%	Dormant
Hillcrest Learning Disability Services Limited*	England & Wales	100%	Dormant
Newco Options (2) Limited*	England & Wales	100%	Dormant
Options Autism (1.1) Limited*	England & Wales	100%	Dormant
Options Autism (1.2) Limited*	England & Wales	100%	Dormant
Summacare Limited*	England & Wales	100%	Dormant
Surecare 365 Limited*	England & Wales	100%	Dormant
Young Options Limited*	England & Wales	100%	Dormant
Hillcrest Care Developments Limited*	England & Wales	100%	Dormant
Acorn Education and Care Services Ltd (formerly known as Hillcrest Care Services Limited)*	England & Wales	100%	Holding of investments
Options Autism Holdings Limited*	England & Wales	100%	Holding of investments
Options Autism Services Limited*	England & Wales	100%	Holding of investments
Options Group Holdings Limited*	England & Wales	100%	Holding of investments
Outcomes First Group Holdings Limited*	England & Wales	100%	Holding of investments
P Bloom Limited (formerly known as Outcomes First Group Limited)*	England & Wales	100%	Holding of investments
Outcomes First Midco Limited*	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 carer services
Lesley Ann Consultancy Limited*	England & Wales	100%	Provision of foster carer services
Next Step Fostering Services Limited*	England & Wales	100%	Provision of foster carer services
Ryancare Fostering Limited*	England & Wales	100%	Provision of foster carer services
Ryancare Fostering South East Limited*	England & Wales	100%	Provision of foster carer services
Safehouses Limited*	England & Wales	100%	Provision of foster carer services
Safehouses Fostering Limited*	England & Wales	100%	Provision of foster carer services
3 Dimensions Care Limited*	England & Wales	100%	Provision of care and education services

## SSCP Spring MidCo 1A Limited

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

#### 6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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
Respite Breaks Limited*	England & Wales	100%	Provision of care and education services
Community Prospects CIC*	England & Wales	100%	Provision of care and education services
WP Associates Limited*	England & Wales	100%	Provision of care and education services
The London Children's Practice (2009) Limited*	England & Wales	100%	Provision of care and education services
Options Central Services Limited*	England & Wales	100%	Provision of care and education services

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

SSCP Spring Midco 1B Limited (formerly DMWSL 903 Limited) is held directly by the company. All other investments are held indirectly by a subsidiary undertaking.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

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

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

\* Atria, Spa Road, Bolton, 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.

## SSCP Spring MidCo 1A Limited

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

#### 7 Debtors

	2022 £ 000	2021 £ 000
Amounts owed by group undertakings due after more than one year	<u>396,784</u>	<u>348,055</u>

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

£396,784,000 (2021: £348,055,000) of amounts owed by group undertakings is classified as non current.

At 31 August 2022 an intra group loan of £264,480k (2021: £264,480k) was owed to the Company by SSCP Spring Midco 1B Limited. This loan carries an interest rate of 14% and is repayable on 30 July 2029. Interest is capitalised and added to the outstanding loan balance on an annual basis. At 31 August 2022 the value of capitalised interest was £132,304k (2021: £83,574k); interest accrued in the year amounted to £48,730k (2021: £42,744k).

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

	2022 £ 000	2021 £ 000
Amounts owed to group undertakings	<u>604</u>	<u>418</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. No interest was charged in the year (2021: nil).

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

	2022 £ 000	2021 £ 000
Loan notes	51,204	51,000
Amounts owed to group undertakings	320,720	281,334
Interest accrued on loan notes	<u>22,178</u>	<u>14,040</u>
	<u>394,102</u>	<u>346,374</u>

At 31 August 2022 the Company has £52.0m (2021: £52.0m) of variable rate investor loan notes which carry an interest rate of LIBOR+11.0% per annum and are repayable in full on 30 July 2026. At 31 August 2022 the value of capitalised interest was £22.2m (2021: £14.0m).

Loan notes are stated net of unamortised issue costs At 31 August 2022 of £0.8m (2021: £1.0m), which are being amortised over the period to July 2026.

At 31 August 2022 an intra group loan of £213.8m (2021: £213.8m) was owed by the Company to SSCP Spring Midco 1 Limited. This loan carries an interest rate of 14% and is repayable on 30 July 2029. Interest is capitalised and added to the outstanding loan balance on an annual basis. At 31 August 2022 the value of capitalised interest was £106.9m (2021: £67.6m). Interest accrued in the year amounted to £39.3m (2021: £34.6m).

## SSCP Spring MidCo 1A Limited

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

#### 9 Creditors: amounts falling due after more than one year (continued)

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

	2022 £ 000	2021 £ 000
<b>Amounts falling due between one to five years</b>		
Loan notes	51,204	51,000
Interest on loan notes	<u>22,178</u>	<u>14,040</u>
	<u>73,382</u>	<u>65,040</u>
<b>Amounts falling due after more than five years</b>		
Amounts owed to group undertakings	<u>320,720</u>	<u>281,334</u>
	<u>320,720</u>	<u>281,334</u>

#### 10 Called up share capital

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

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 11 Contingent liabilities

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

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

#### 12 Related party transactions

Investor loan stock held by SSCP Spring Holdings SCA has been disclosed in note 9.

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

## **SSCP Spring MidCo 1A Limited**

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

#### **13 Controlling party**

The company's immediate parent is SSCP Spring Midco 1 Limited, a company incorporated in England and Wales. SSCP Spring Topco Limited, a company incorporated in England and Wales, is an intermediate parent company. SSCP Spring Topco Limited, a company incorporated in England and Wales, owns 83.51% (2021: 83.51%) of SSCP Spring Topco Limited's equity share capital and is deemed to be the ultimate parent undertaking.

The directors consider SSCP Spring Holdings SCA to be the ultimate controlling parties.

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