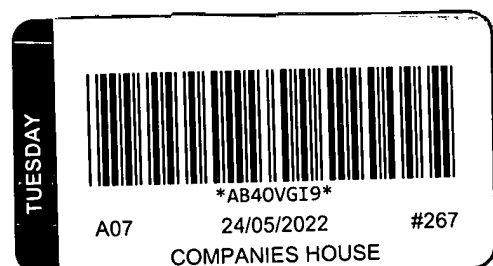


Registration number: 11942288

SSCP Spring MidCo 1B Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2021



SSCP Spring MidCo 1B Limited

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SSCP Spring MidCo 1B Limited

Company Information

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

SSCP Spring MidCo 1B Limited

Strategic Report for the Year Ended 31 August 2021

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

Principal activities

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

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 loss for the year amounted to £10,000 (period ended 31 August 2020: £65,000).

As at 31 August 2021, the company was in a net liability position of £75,000 (2020: £65,000).

The proceeds of loans from group undertakings have been advanced to fellow group companies. Given the nature of the company, the directors monitor the interest costs.

The company's operations are managed as a cost centre within the Group. A detailed business review discussing the objectives and strategy, markets and regulatory issues and risks and uncertainties pertaining to the whole group and including non-financial key performance indicators can be viewed on page 1 of the strategic report of SSCP Spring Topco Limited, which does not form part of this report.

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

	Unit	2021	2020
Interest receivable and similar income	£'000	42,732	37,718
Interest payable and similar expenses	£'000	(42,744)	(37,798)

Principal risks and uncertainties

Regulatory and legislative risks

The company's principal financial instruments comprise amounts owed to/from fellow Group companies and debt instruments.

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

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.

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.

SSCP Spring MidCo 1B Limited

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

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.

Covid-19

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

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

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

SSCP Spring MidCo 1B Limited

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

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

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

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

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

The 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 monthly focus is to review a range of quality and employment indicators. This is completed by regular employment surveys and foster carer surveys, both conducted by independent third party organisations.

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

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

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

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

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

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.

SSCP Spring MidCo 1B Limited

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

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

20 May 2022

SSCP Spring MidCo 1B Limited

Directors' Report for the Year Ended 31 August 2021

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

Incorporation

The company was incorporated on 12 April 2019.

On 12 July 2019 a special resolution was agreed and passed to change the name of the Company from DMWSL 903 Limited to SSCP Spring Midco 1B Limited.

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.

Political and charitable donations

During the year the company made no political or charitable donations.

Employees and employment policies

The company has no employees.

External stakeholders

A strong emphasis is placed on developing sustainable and strategic relationship with external stakeholders, namely the Group's customers and suppliers and the Group believe this is an integral part of supporting long-term growth. Supporting our customers and supplier base has been particularly important during the COVID-19 pandemic, during which times all services have managed to remain opened and growth initiatives involving supply chains have continued to progress.

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 1B Limited

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

Going concern

The company has net liabilities of £75,000 as at 31 August 2021 and net current assets of £347,980,000 (2020: £305,245,000).

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the year ending 31 August 2021 the Group generated strong cash flows and held a group cash balance of £5.8m at 31 August 2021 (2020: £6.3m). 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 the basis of the above the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

SSCP Spring MidCo 1B Limited

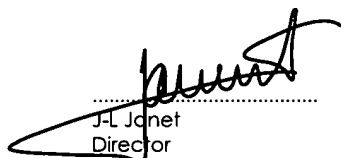
Directors' Report for the Year Ended 31 August 2021 (continued)

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.

Approved by the Board and signed on its behalf by:



.....
J-L Janet
Director

20 May 2022

SSCP Spring MidCo 1B Limited

Independent Auditors' Report to the Members of SSCP Spring MidCo 1B Limited

Report on the audit of the financial statements

Opinion

In our opinion, SSCP Spring MidCo 1B Limited's financial statements:

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

SSCP Spring MidCo 1B Limited

Independent Auditors' Report to the Members of SSCP Spring MidCo 1B Limited (continued)

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 August 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

SSCP Spring MidCo 1B Limited

Independent Auditors' Report to the Members of SSCP Spring MidCo 1B Limited (continued)

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

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

20 May 2022

SSCP Spring MidCo 1B Limited

Statement of Comprehensive Income for the Year Ended 31 August 2021

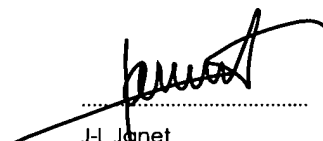
	Note	Year ended 31 August 2021 £ 000	12 April 2019 to 31 August 2020 £ 000
Interest receivable and similar income	3	42,732	37,718
Interest payable and similar expenses	4	<u>(42,744)</u>	<u>(37,798)</u>
Net interest payable		<u>(12)</u>	<u>(80)</u>
Loss before taxation		(12)	(80)
Tax on loss	5	<u>2</u>	<u>15</u>
Loss and Total comprehensive expense for the financial year		<u><u>(10)</u></u>	<u><u>(65)</u></u>

SSCP Spring MidCo 1B Limited
(Registration number: 11942288)
Balance Sheet as at 31 August 2021

	Note	31 August 2021 £ 000	31 August 2020 £ 000
Fixed assets			
Investments	6	-	-
Current assets			
Debtors: amounts falling due within one year	7	17	15
Debtors: amounts falling due after more than one year	7	<u>347,963</u>	<u>305,230</u>
Total debtors		<u>347,980</u>	<u>305,245</u>
Net current assets		<u>347,980</u>	<u>305,245</u>
Total assets less current liabilities		347,980	305,245
Creditors: amounts falling due after more than one year	8	<u>(348,055)</u>	<u>(305,310)</u>
Net liabilities		<u>(75)</u>	<u>(65)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>(75)</u>	<u>(65)</u>
Total equity		<u>(75)</u>	<u>(65)</u>

Net current assets includes debtor amounts falling due after more than one year of £347,963k (2020: £305,230k). Excluding those amounts, net current assets would be £17k as at 31 August 2021 (2020: £15k).

The financial statements on pages 12 to 26, were approved by the Board and signed on its behalf by:



 J-L Janet
 Director

20 May 2022

SSCP Spring MidCo 1B Limited

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

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
Loss for the year	-	(65)	(65)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(65)	(65)
At 31 August 2020	-	(65)	(65)
	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2020	-	(65)	(65)
Loss for the year	-	(10)	(10)
Total comprehensive expense	-	(10)	(10)
At 31 August 2021	-	(75)	(75)

SSCP Spring MidCo 1B Limited

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

1 Accounting policies

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

The Registered Office is Atria, Spa Road, Bolton, Lancashire 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 1B 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 1B Limited

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

1 Accounting policies (continued)

Going concern

The company has net liabilities of £75,000 as at 31 August 2021 and net current assets of £347,980,000 (2020: £305,245,000).

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the year ending 31 August 2021 the Group generated strong cash flows and held a group cash balance of £5.8m at 31 August 2021 (2020: £6.3m). 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 the basis of the above the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

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.

Key sources of estimation uncertainty

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 1B Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (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 the year ended 31 August 2021 of £3,682 were borne by another Group company without recharge (period ended 31 August 2020: £3,315).

The company had no employees, other than the directors, during the year under review (period ended 31 August 2020: nil).

The directors did not receive any remuneration from the company during the year ended 31 August 2021 (period ended 31 August 2020: 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

	Year ended 31 August 2021 £ 000	2020 £ 000
Interest receivable from other group undertakings	<u>42,732</u>	<u>37,718</u>

SSCP Spring MidCo 1B Limited

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

4 Interest payable and similar expenses

	Year ended 31 August 2021 £ 000	12 April 2019 to 31 August 2020 £ 000
Interest payable to other group undertakings	<u>42,744</u>	<u>37,798</u>

5 Tax on loss

Tax credited in the statement of comprehensive income

	Year ended 31 August 2021 £ 000	12 April 2019 to 31 August 2020 £ 000
Current taxation		
UK corporation tax	<u>(2)</u>	<u>(15)</u>
Total current income tax	<u>(2)</u>	<u>(15)</u>

Factors affecting tax credit for the year

The tax on loss before taxation for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	Year ended 31 August 2021 £ 000	12 April 2019 to 31 August 2020 £ 000
Loss before taxation	<u>(12)</u>	<u>(80)</u>
Corporation tax at standard rate	<u>(2)</u>	<u>(15)</u>
Total tax credit	<u>(2)</u>	<u>(15)</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 1B Limited

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

6 Investments

	Shares in group undertakings £
Subsidiaries	
Cost and net book value	
At 1 September 2020	1
At 31 August 2021	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
Subsidiary undertakings			
SSCP Spring Midco 2 Limited*	England & Wales	100%	Holding of investments and financing for the Group
Outcomes First Group Limited (formerly known as SSCP Spring Bidco 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
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
NFAP Limited*	England & Wales	100%	Holding of investments
NFA Partnerships Limited*	England & Wales	100%	Holding of investments
Children First Fostering Agency Limited*	England & Wales	100%	Provision of foster care services

SSCP Spring MidCo 1B Limited

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

6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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 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
Acorn Care 1 Limited**	England & Wales	100%	Holding of investments
Acorn Care 2 Limited**	England & Wales	100%	Holding of investments
Acorn Care 3 Limited**	England & Wales	100%	Holding of investments
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
Bramfield House School**	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

SSCP Spring MidCo 1B Limited

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

6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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
Threemilestone Education Limited**	England & Wales	100%	Provision of care and education services

SSCP Spring MidCo 1B Limited

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

6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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
Brighter Futures Foster Care Ltd*	England & Wales	100%	Provision of foster carer services
Waterloo Lodge School Limited**	England & Wales	100%	Provision of care and education 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
Options Autism (8) Limited*	England & Wales	100%	Provision of care and education services

SSCP Spring MidCo 1B Limited

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

6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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 Ltd)*	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
Bryn Melyn Care Limited*	England & Wales	100%	Provision of care and education services

SSCP Spring MidCo 1B Limited

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

6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
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

^ 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 2 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.

7 Debtors

	31 August 2021 £ 000	31 August 2020 £ 000
Amounts owed by group undertakings due after more than one year	347,963	305,230
Amounts owed by group undertakings due within one year	17	15
Total debtors	<u>347,980</u>	<u>305,245</u>

Details of non-current amounts owed by group undertakings

£347,963,000 (2020: £305,230,000) of amounts owed by group undertakings is classified as non-current.

At 31 August 2021 an intra group loan of £174,590k was owed to the Company by SSCP Spring Midco 2 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 2021 the value of capitalised interest was £173,373k (2020: £130,640k); interest accrued in the year amounted to £42,732k (period ended 31 August 2020: £40,746k).

All other amounts owed by other group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. No interest was charged in the year (period ended 31 August 2020: nil).

SSCP Spring MidCo 1B Limited

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

8 Creditors: amounts falling due after more than one year

	31 August 2021 £ 000	31 August 2020 £ 000
Amounts owed to group undertakings	<u>348,055</u>	<u>305,310</u>

At 31 August 2021 an intra group loan of £264,480k was owed by the Company to SSCP Spring Midco 1A 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 2021 the value of capitalised interest was £83,575k (2020: £40,830k); interest accrued in the year amounted to £42,744k (period ended 31 August 2020: £40,830k).

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

	31 August 2021 £ 000	12 April 2019 to 31 August 2020 £ 000
Amounts falling due after more than five years		
Amounts owed to group undertakings	<u>348,055</u>	<u>305,310</u>
	<u>348,055</u>	<u>305,310</u>

9 Called up share capital

Allotted, called up and fully paid shares

	31 August 2021	31 August 2020
	No. £	No. £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

10 Contingent liabilities

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

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

11 Related party transactions

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

SSCP Spring MidCo 1B Limited

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

12 Controlling party

The company's immediate parent is SSCP Spring Midco 1A Limited (formerly DMWSL 902 Limited), a company incorporated in England and Wales. SSCP Spring Topco Limited, a company incorporated in England and Wales is an intermediate parent company. SSCP Spring Holdings SCA, a company incorporated in Luxembourg, owns 83.51% (2020: 83.51%) of SSCP Spring Topco Limited's equity share capital and is deemed to be the ultimate parent undertaking.

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

The smallest and 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.