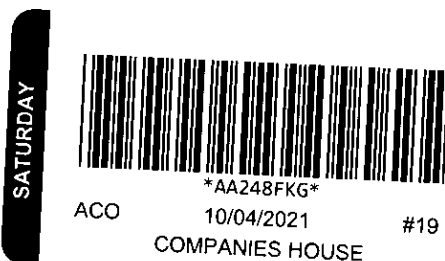


# SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

Annual Report and Financial Statements

for the Period from 12 April 2019 to 31 August 2020



# **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

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## **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 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>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road Watford Hertfordshire WD17 1JJ

# **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

## **Strategic Report for the Period from 12 April 2019 to 31 August 2020**

The directors present their strategic report for the period from 12 April 2019 to 31 August 2020.

### **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 period, after taxation amounted to £65,000.

As at 31 August 2020, the company was in a net liability position of £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 period were as follows:

	<b>Unit</b>	<b>2020</b>
Interest receivable and similar income	£'000	37,718
Interest payable and similar expenses	£'000	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 (formerly DMWSL 903 Limited)**

### **Strategic Report for the Period from 12 April 2019 to 31 August 2020 (continued)**

#### *Interest rate risk*

During the period 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 period 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.

#### **Other significant risks**

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

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

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

The Cooperation Agreement established that the United Kingdom and the European Union have agreed there will be no tariffs or quotas on the movement of goods therefore disruption to the Group's supply chain is considered a low risk;

Employees from the European Union who have been continuously resident in the United Kingdom are eligible for settled status enabling them to stay indefinitely and the Group is in regular communication with their employees, particularly those from the European Union, regarding Brexit to provide appropriate and balanced information and support.

## **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

### **Strategic Report for the Period from 12 April 2019 to 31 August 2020 (continued)**

#### **Covid-19**

The COVID-19 pandemic and the resulting measures taken by the UK government to contain the outbreak has not significantly impacted the business during the financial period ended 31 August 2020 or the period since then up to the signing of these financial statements. The Group has been able to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees and service users in mind.

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

Other than usual measures in place to protect working capital, no exceptional financial measures have had to be implemented as Local Authorities have continued their support to the Independent Sector with invoices paid as usual. Overall even in a severe and prolonged lockdown scenario the Group is considered well placed to continue operating as normal.

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

The Company, as part of the SSCP Spring Topco Limited Group ("the Group"), shares the same values, principles and practices with that of the wider Group. The board of directors of the Group believe, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole in the decisions taken during the period ended 31 August 2020, having regards to the stakeholders and matters set out in s172(1)(a-f) of the Act, namely:

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

That is particularly the case for important strategic decisions such as the approval of financial plans for the period under review and future years and the response of the Group, including the company, to the COVID-19 pandemic. The Board of directors meet monthly and considers the impact of its decisions on the stakeholders listed above. During the COVID-19 pandemic additional review meetings have also taken place to ensure the board agreed the company's response to the crisis and its possible impact on stakeholders and to increase scrutiny on the likely consequences of decisions on the long-term sustainability of the company as the market environment was more uncertain.

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

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

## **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

### **Strategic Report for the Period from 12 April 2019 to 31 August 2020 (continued)**

The Group as a whole is targeting paying at least the Real Living Wage for all qualified staff who support children, young people and adults directly, recognising the difference its employees make every day to the Group's pupils and residents. In addition all staff employed by the Group have access to a range of employment benefits, including pensions, life insurance, a wellbeing support programme with access to financial assistance if needed, private health insurance and a range of shopping discounts.

The directors review the company's approach to Environmental, Social and Governance Policies at least annually, undertaking a detailed evaluation of performance against some key indicators and agreeing priorities and initiatives for the year ahead.

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

A Safeguarding and Quality Committee, made up of three members who are independent from the main board and the Group Director of Quality & Compliance;

A Remuneration Committee which ensures pay policies are fair and equitable.

An Audit Committee

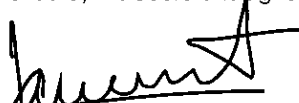
An Investment Committee which reviews all investment decisions, including any business acquisitions, and considers the impact of these decisions on the long-term future of the group.

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

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

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

Approved by the Board and signed on its behalf by:

  
.....  
J-L Jarret  
Director

8 April 2021

## **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

### **Directors' Report for the Period from 12 April 2019 to 31 August 2020**

The directors present their report and the audited financial statements for the period from 12 April 2019 to 31 August 2020.

#### **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 period and up to the date of signing the financial statements were:

P T Barron (appointed 12 April 2019 and resigned 27 June 2019)

D J Leatherbarrow (appointed 27 June 2019)

J-L Janet (appointed 27 June 2019)

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

#### **Proposed dividend**

The directors do not recommend the payment of a dividend.

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

During the period 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 (formerly DMWSL 903 Limited)**

### **Directors' Report for the Period from 12 April 2019 to 31 August 2020 (continued)**

#### **Going concern**

The company has net liabilities of £65,000 as at 31 August 2020 and net current assets of £15,000.

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the period ending 31 August 2020 the Group generated strong cash flows and held a group cash balance of £6.3m at 31 August 2020 (2019: £15.0m). During the period, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

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

On 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 (formerly DMWSL 903 Limited)**

### **Directors' Report for the Period from 12 April 2019 to 31 August 2020 (continued)**

#### **Directors' confirmations**

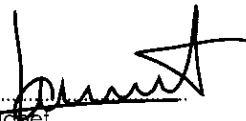
In the case of each director in office at the date the Directors' Report is approved:

- 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 PricewaterhouseCoopers 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 Jorhet  
Director

8 April 2021

**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

***Independent Auditors' Report to the Members of SSCP Spring  
MidCo 1B Limited (formerly DMWSL 903 Limited)***

**Report on the financial statements**

**Opinion**

In our opinion, SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its loss for the 17 month period (the "period") 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 2020; the Statement of Comprehensive Income; the Statement of Changes in Equity for the 17 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

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

***Independence***

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

***Independent Auditors' Report to the Members of SSCP Spring  
MidCo 1B Limited (formerly DMWSL 903 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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 August 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 7, 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.

**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

***Independent Auditors' Report to the Members of SSCP Spring  
MidCo 1B Limited (formerly DMWSL 903 Limited)  
(continued)***

*Auditors' responsibilities for the audit of the financial statements*

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

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](http://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 received 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

08 April 2021

**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

**Statement of Comprehensive Income for the Period from 12 April 2019 to 31 August 2020**

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

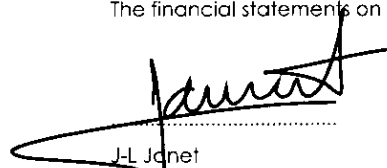
**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

**(Registration number: 11942288)  
Balance Sheet as at 31 August 2020**

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

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

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

  
J-L Janet  
Director

8 April 2021

**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

**Statement of Changes in Equity for the Period from 12 April 2019 to 31 August 2020**

	<b>Called up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
Loss for the period	<u>-</u>	<u>(65)</u>	<u>(65)</u>
Total comprehensive expense	<u>-</u>	<u>(65)</u>	<u>(65)</u>
<b>At 31 August 2020</b>	<u><u>-</u></u>	<u><u>(65)</u></u>	<u><u>(65)</u></u>



## **SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

### **Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020**

#### **1 Accounting policies**

SSCP Spring MidCo 1B Limited (formerly DMWSL 903 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 1B Limited (formerly DMWSL 903 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 (formerly DMWSL 903 Limited)**

### **Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)**

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

##### **Going concern**

The company has net liabilities of £65,000 as at 31 August 2020 and net current assets of £15,000.

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the period ending 31 August 2020 the Group generated strong cash flows and held a group cash balance of £6.3m at 31 August 2020 (2019: £15.0m). During the period, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

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

On 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.
- Indicators of impairment – The company makes an estimate of the recoverable value of amounts due from group undertakings. When assessing impairments of amounts due from group undertakings, management considers factors including the financial position of the counterparty and the availability of resources to ultimately settle the amount due.

##### **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 period under review.

# SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

## Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)

### 1 Accounting policies (continued)

#### Current tax

The tax expense for the period 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 result

Audit fees for the period ended 31 August 2020 of £3,315 were borne by another Group company without recharge.

The company had no employees, other than the directors, during the period under review.

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

Interest receivable from other group undertakings

12 April 2019 to 31 August 2020 £ 000
<u>37,718</u>

**SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)**

**Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)**

**4 Interest payable and similar expenses**

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

**5 Tax on profit on loss**

Tax credited in the statement of comprehensive income

	12 April 2019 to 31 August 2020 £ 000
<b>Current taxation</b>	
Group relief	<u>(15)</u>
Total current income tax	<u>(15)</u>

**Factors affecting tax credit for the period**

The tax on loss before taxation for the period is the same as the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	12 April 2019 to 31 August 2020 £ 000
Loss before taxation	<u>(80)</u>
Corporation tax at standard rate	<u>(15)</u>
Total tax credit	<u>(15)</u>

**Factors that may affect future tax charges**

Deferred tax has been calculated at 19%, reflecting the enacted rate applicable at the balance sheet date.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This new law has not yet been substantively enacted. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

## SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)

#### 6 Investments

	Shares in group undertakings £
<b>Subsidiaries</b>	
<b>Cost and net book value</b>	
At 12 April 2019	-
Additions	1
At 31 August 2020	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 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
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

## SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (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 (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)

#### 6 Investments (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
<i>Fostering Solutions (Northern) Limited** ^</i>	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 (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (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
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
Options Autism (8) Limited*	England & Wales	100%	Provision of care and education services



## SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (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
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

## SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)

#### 6 Investments (continued)

^ 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 2020 £ 000
Amounts owed by group undertakings due after more than one year	305,230
Amounts owed by group undertakings due within one year	15
Total debtors	<u>305,245</u>

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

£305,230,000 of amounts owed by group undertakings is classified as non current.

At 31 August 2020 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 2020 the value of capitalised interest was £130,640k; interest accrued in the period amounted to £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 period.

## SSCP Spring MidCo 1B Limited (formerly DMWSL 903 Limited)

### Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (continued)

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

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

At 31 August 2020 an intra group loan of £264,480k was owed by the Company to SSCP Spring Midco 1A Limited (formerly DMWSL 902 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 2020 the value of capitalised interest was £40,830k; interest accrued in the period amounted to £40,830k.

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

	31 August 2020 £ 000
<b>Amounts falling due after more than five years</b>	
Amounts owed to group undertakings	<u>305,310</u>
	<u>305,310</u>

#### 9 Called up share capital

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

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

#### 10 Contingent liabilities

During the period 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 2020 was £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 (formerly DMWSL 903 Limited)**

### **Notes to the Financial Statements for the Period from 12 April 2019 to 31 August 2020 (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% 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.