

Company Registration No. 12135972 (England and Wales)

RANGE TOPCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021



RANGE TOPCO LIMITED

COMPANY INFORMATION

Directors	T R W Hammond D R Pugh M J Silver A Cunningham
Company number	12135972
Registered office	Venture House Longford Road Cannock Staffordshire WS11 0LG
Auditor	RSM UK Audit LLP Chartered Accountants Suite A 7th Floor, East West Building 2 Tollhouse Hill Nottingham NG1 5FS

RANGE TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

Business review

The Group is a specialist health services group supporting young people with complex circumstances and behavioural difficulties. Residential care is provided in family sized homes and education is delivered in small, high teacher to pupil ratio, specialist day schools for those up to 18 years old. Through our transitional services division we also provide support and access to quality housing for young people from 16 to 25, helping them to transition from residential care to independent living.

We believe that every child and young person can reach their potential with the right care and support. Our staff are key to this and they work for the Horizon group because they want to make a difference to the lives of our young people.

Our residential homes and schools are regulated by Ofsted and are subject to regular review, often exceeding the regulatory requirements. Transitional services are not formally regulated but the Horizon group achieves very high ratings from quality inspections undertaken by our commissioners.

Horizon's therapeutic pathway supports the needs of the young people in our care using psychological assessment and formulation to develop a unique therapeutic plan for each child. All care staff are trained in therapeutic parenting (the PACE model) by the in-house clinical team who also support care staff teams through regular clinical supervisions.

The Group has a resilient and proven business model. We continue, through our staff teams and operational leadership, to manage services well through Covid-19. The actions being taken, and continuing to be taken, are effectively mitigating operational and financial impacts relating to Covid-19.

During the year ended 31 August 2021 the Group retained the support of financial stakeholders, which has allowed continued investment in the business against a backdrop of stable revenue year on year (2020: £55m; 2021 £55m) and a labour market impacted by unprecedented levels of skill shortages and cost inflation. As a result, underlying EBITDA in the year declined from £8.7m (restated) in the year ended 31 August 2020 to £7.6m in the year ended 31 August 2021.

The ongoing investment in colleagues delivering the core services of the Group, colleagues providing support and in the technology to support operations continues the work initiated in the previous year to provide a platform for sustainable growth in the number of young people supported. The opportunity presented to the Group remains high and is detailed within the Future Outlook below.

Principal risks and uncertainties

Details of the group's principal risks and uncertainties and risk management policies are set out in the Directors' Report.

RANGE TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

As part of the management accounts, the directors use Key Performance Indicators ('KPIs') to assist in the understanding of the development, performance and position of the business of the group. The KPIs used by the group to measure its own performance include Ofsted gradings, placement numbers across all divisions and education and residential occupancy rates.

	Year ended 31 August 2021	Period ended 31 August 2020**
Residential Ofsted (% Good or Outstanding)	73%	77%
Education Ofsted (% Good or Outstanding)	83%	86%
Total placement numbers at year end	810	877
Residential occupancy rate of available capacity for the full year	82%	84%
Education occupancy rate of available capacity for the full year*	75%	81%

*excludes Armley Grange in ramp up phase

** the period ended 31 August 2020 began upon incorporation of Range Topco Limited on 2 August 2019.

Section 172 statement

The Directors of the Group are required to act in accordance with the duties detailed in section 172 of the Companies Act 2006, which are summarised as follows:

A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interest of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

The statements below set out how the Directors have acted in accordance with these duties.

RANGE TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Long term decisions

All long term decisions are taken to best represent the interests of all stakeholders, including employees, Local Authority customers and the young people within the care of the Group.

Employees

The Group's policy is to consult and discuss with employees, through meetings and written communications, matters likely to affect employees' interests. All staff are paid at least the National Living Wage, regardless of their age.

Customers

The customers of the Group are Local Authorities with whom all divisions undertake a collaborative approach to delivering a support package that is aligned to the young person's needs.

Suppliers

The Group agrees terms and conditions for its business transactions with suppliers before orders are placed. Payments are then made in accordance with these obligations. As a Group we believe it is important to pay our suppliers in accordance with agreed terms for the service they provide.

Environment

The Group is committed to maintaining an excellent reputation and strives to achieve high standards. We are highly selective about who we work alongside to deliver best value while maintaining an awareness of the environmental impact of the work that they do and strive to reduce their carbon footprint.

Carbon reporting

The Group are committed to reducing the environmental impact of operations and support services. A base year of 1 September 2020 – 31 August 2021 has been used, as this is the earliest year for which reliable data was recorded and measured. This base year will be used as the benchmark for future emission data and consumption changes. As the Group's emissions are reported for the first year under SECR, no previous years' data is shown. All changes will therefore be monitored in the coming financial period, to be compared with the current (base) year. This will allow for comparison and insight into how the Group is performing and improving with regards to consumption and emissions.

The Group operated from 74 sites during the reporting period that are included in SECR, where electricity and gas are the primary utilities used. The Group owns or leases 161 cars/vans and have staff mileage claims which are included in this report. All activities are based within the UK.

	kWh	Tons of CO2	Tons of CO2 % of Total
Natural Gas	4,146,750	761	45%
Cars – Average Petrol	1,393,636	337	20%
Vans – Average Diesel	211,997	54	3%
Electricity	1,220,637	272	16%
Grey Fleet Mileage	1,013,615	250	15%
Gross emissions	7,986,635	1,674	100%
Renewable electricity	880,640	196	12%
Net emissions	7,105,994	1,477	88%

The Group undertook an Energy Savings Opportunity Scheme (ESOS) assessment in December 2019 to identify opportunities for energy savings. Whilst the Group are committed to sustainability and becoming energy efficient whilst reducing carbon footprint, due to the Covid-19 pandemic specific efficiency improvement projects were put on hold in this financial year.

RANGE TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

However, the following actions have been taken to reduce environmental impact:

- Upgraded 16 inefficient gas/oil heating boilers
- Upgraded insulation in 3 properties
- Sourced 100% renewable electricity contracts for the majority of sites and continually transitioning remaining fossil fuel supplies to low carbon energy contracts.

Community and other stakeholders

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the company are considered to be the employees, young people in our care and our Local Authority Partners.

Reputation for high standards of business conduct

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the Group.

Future outlook

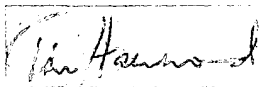
The underlying opportunity for the Group remains compelling with the market growing year on year across all three divisions, whilst remaining fragmented across a high number of small providers. The Group's scale and commitment to Quality alongside investment in personnel, process and technology position it well for future growth.

Across the UK we have seen referrals for children increase with increasing complexity of behaviours being evident. Alongside this structural growth in demand, the impact of Covid-19 may create further requirements in the medium term for services with related pressures expected to lead to further increases in the number of children taken in to care and consequently the number of young people leaving care that require transitional support.

We continue to develop our education offering in order to provide high quality care, education and therapy where appropriate to meet children's needs. During the year we have developed our services to manage increasing complexity of children within both classroom and community based settings. Across the Group we have continued to recruit, retain and train staff.

We remain committed to working in partnership with Local Authorities to ensure we offer value for money and quality services to meet need.

On behalf of the board



T Hammond
Director

Date: 12.05.2022

RANGE TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The directors present their report and consolidated financial statements for the year from 1 September 2020 to 31 August 2021.

Principal activities

The principal activity of the Group is the provision of Education, Care and Support services to young people. The principal activity of the company is that of a holding company.

Results and dividends

The results for the year are set out on page 12, which show an operating profit before exceptional items, depreciation and amortisation of £7.6m (2020 restated: £8.7m). The business incurred exceptional costs of £5.8m (2020: £1.4m) which include the impairment losses booked in the year.

After the year end, the decision was made to permanently close the Armley Grange school. This resulted in an impairment loss of £0.9m being recognised between the carrying value of the property and the marketed sales price.

At 31 August 2021 the Directors also took the opportunity to review items held within the Group, resulting in the impairment of certain balances in respect of the historical investment in Educare Adolescent Services Limited.

The loss for the period, after taxation, amounted to £12,605,153. The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T R W Hammond	(Appointed 1 June 2021)
P B S Keys	(Resigned 11 March 2022)
D R Pugh	(Appointed 22 September 2020)
M J Silver	(Appointed 1 November 2020)
P A Callander	(Resigned 9 April 2021)
S M Roberts	(Resigned 30 September 2020)
A Cunningham	(Appointed 21 February 2022)

The following changes occurred after the year end:

P B S Keys	(Resigned 11 March 2022)
A Cunningham	(Appointed 21 February 2022)

Qualifying third party indemnity provisions

The Group maintains insurance policies on behalf of all directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group.

Disabled persons

The Group's policy is to recruit disabled workers with assistance and training given as necessary. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

RANGE TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Employee involvement

The Group's policy is to consult and discuss with employees, through meetings and written communications, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which aim to achieve a common awareness on the part of all employees of the social, financial and economic factors affecting the company's performance.

We strive to listen to our staff and continue to adapt and develop our working practices to best recognise the invaluable work our staff team undertake.

Principal risks and uncertainties

The Group's customers are local authorities and any changes in government purchasing policy away from the independent sector would constitute a risk. Local authorities control of spending represents a risk to the business in terms of fees for new young people and inflationary increases on fees for existing users of the services. Increases in the National Living Wage add further pressure on costs. Wherever possible the Group mitigates this risk through negotiating contracts for young people and it is committed to working with commissioners to find solutions that provide demonstrable value for money. The strategy is to continue to focus on providing high quality services delivering positive outcomes for vulnerable young people at fee levels which are competitive and represent good value.

The Group operates in a highly regulated environment. The quality of care provided by the Group and its compliance with regulations are monitored in a structured manner and subject to continuous review by the senior managers and the directors. A Director of Quality has been appointed overseeing all three operating divisions.

The Group's balance sheet at 31 August 2021 indicates it has net current liabilities of £2,303,487 (2020 restated: Net assets of £1,743,351). The Group is financed by bank loan facilities that mature in 2025 and 2026. Throughout the Covid-19 pandemic the Group have retained the support of all financial investors, which has enabled the business to continue building a robust platform for future growth in a period of revenue stability.

In relation to available cash resources, the Directors have had regard to both cash at bank and a £3m committed revolving credit facility. The Group has undertaken extensive activity to identify and mitigate its exposure to plausible risks which may arise from Covid-19. Based on the Directors' current assessment of the likelihood of the Covid-19 risks arising together with their assessment of the planned mitigating actions being successful, the Directors have concluded that it is appropriate to prepare the accounts on a going concern basis.

Financial instruments

The Group uses various financial instruments which include cash, loans and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The policy in the year has been to ensure continuity of funding through the use of funding provided by both banks and Graphite Capital Management LLP.

Interest rate risk

The Group is exposed to interest rate risks as a result of the loans on which it relies for funding its operations. These loans are linked to market rates or are fixed rate depending on the terms. Exposure is limited to the movement of the market as a whole.

Post balance sheet events

There have been no significant post balance sheet events.

RANGE TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

RSM UK Audit LLP were appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic Report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and energy and carbon reporting.

Statement of disclosure to auditor

The directors confirm that:

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

On behalf of the board



A Cunningham
Director

Date: 12.05.2022.....

RANGE TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGE TOPCO LIMITED

Opinion

We have audited the financial statements of Range Topco Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in equity, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 group's or the parent 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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGE TOPCO LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGE TOPCO LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and the parent company operates in and how the group and the parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, UK tax legislation and Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the group's financial statements are those in relation to Ofsted. We performed audit procedures which included an inquiry of management and those charged with governance whether the group is in compliance with these law and regulations, as well as a review of the latest reports published by Ofsted for each of the sites managed by the group.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, performance of procedures including data analytics on revenue in the year and tests of detail on revenue transactions to supporting documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Richard King FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A
7th Floor, East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS
12 May 2022

RANGE TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2021

		Year ended 31 August 2021 £	Period ended 31 August 2020 as restated £
	Notes		
Turnover	4	54,992,595	54,476,376
Cost of sales		(29,633,450)	(30,684,059)
Gross profit		25,359,145	23,792,317
Administrative expenses		(17,786,439)	(15,100,952)
Operating profit before exceptional items, depreciation and amortisation		7,572,706	8,691,365
Exceptional administrative expenses	5	(5,681,476)	(1,414,331)
Depreciation	13	(2,507,373)	(2,323,262)
Amortisation of goodwill	12	(7,241,989)	(7,294,033)
Operating loss	8	(7,858,132)	(2,340,261)
Interest payable and similar expenses	10	(4,107,387)	(3,626,825)
Loss before taxation		(11,965,519)	(5,967,086)
Tax on loss	11	(639,634)	(1,205,167)
Loss for the financial year		(12,605,153)	(7,172,253)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

RANGE TOPCO LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2021**

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12	54,055,229		63,973,021	
Other intangible assets	12	579,569		-	
Total intangible assets		54,634,798		63,973,021	
Tangible assets	13	15,034,036		14,328,937	
		69,668,834		78,301,958	
Current assets					
Debtors	16	6,121,214	8,925,904		
Cash at bank and in hand		4,245,034	5,546,308		
		10,366,248	14,472,212		
Creditors: amounts falling due within one year	17	(12,669,735)	(12,728,861)		
Net current (liabilities)/assets		(2,303,487)		1,743,351	
Total assets less current liabilities		67,365,347		80,045,309	
Creditors: amounts falling due after more than one year	18	59,747,343		60,073,805	
Provisions for liabilities	20	898,840		650,187	
Capital and reserves					
Called up share capital	23	98,250		95,250	
Share premium account	24	26,398,320		26,398,320	
Profit and loss reserves	24	(19,777,406)		(7,172,253)	
Total equity		6,719,164		19,321,317	
Total capital, reserves and long-term liabilities		67,365,347		80,045,309	

The financial statements were approved by the board of directors and authorised for issue on ...12.05.2022.... and are signed on its behalf by:



A Cunningham
Director

RANGE TOPCO LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021**

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Investments	14		1		1
Current assets					
Debtors	16	26,532,032		26,499,602	
Creditors: amounts falling due within one year	17	(386,205)		(138,308)	
Net current assets		26,145,827		26,361,294	
Total assets less current liabilities		26,145,828		26,361,295	
Capital and reserves					
Called up share capital	23	98,250		95,250	
Share premium account	24	26,398,320		26,398,320	
Profit and loss reserves	24	(350,742)		(132,275)	
Total equity		26,145,828		26,361,295	
Total capital, reserves and long-term liabilities		26,145,828		26,361,295	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £218,467 (2020 - £132,275 loss).

The financial statements were approved by the board of directors and authorised for issue on 12.05.2022 and are signed on its behalf by:



A Cunningham
Director

RANGE TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 August 2020:					
Loss and total comprehensive income for the period		-	-	(7,172,253)	(7,172,253)
Issue of share capital	23	95,250	26,398,320	-	26,493,570
Balance at 31 August 2020 as restated		95,250	26,398,320	(7,172,253)	19,321,317
Year ended 31 August 2021:					
Loss and total comprehensive income for the year		-	-	(12,605,153)	(12,605,153)
Issue of share capital	23	3,000	-	-	3,000
Balance at 31 August 2021		98,250	26,398,320	(19,777,406)	6,719,164

RANGE TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 August 2020:					
Loss and total comprehensive income for the period		-	-	(132,275)	(132,275)
Issue of share capital	23	95,250	26,398,320	-	26,493,570
Balance at 31 August 2020		95,250	26,398,320	(132,275)	26,361,295
Year ended 31 August 2021:					
Loss and total comprehensive income for the year		-	-	(218,467)	(218,467)
Issue of share capital	23	3,000	-	-	3,000
Balance at 31 August 2021		98,250	26,398,320	(350,742)	26,145,828

RANGE TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	25	7,761,388	5,633,191
Income taxes refunded/(paid)		30,027	(736,786)
Net cash inflow from operating activities		<u>7,791,415</u>	<u>4,896,405</u>
Investing activities			
Purchase of business		-	(40,776,066)
Purchase of intangible assets		(735,307)	-
Purchase of tangible fixed assets		(4,145,364)	(3,833,324)
Proceeds on disposal of tangible fixed assets		-	227,857
Net cash used in investing activities		<u>(4,880,671)</u>	<u>(44,381,533)</u>
Financing activities			
Proceeds from issue of shares		3,000	26,494,070
Proceeds from issue of new loan notes		-	18,981,040
Repayment of loan notes		-	(18,733,714)
Proceeds of new bank loans		-	41,477,500
Repayment of bank loans		(2,710,774)	(14,067,750)
Deal fees paid		-	(7,216,276)
Interest paid		(1,504,244)	(1,903,434)
Net cash (used in)/generated from financing activities		<u>(4,212,018)</u>	<u>45,031,436</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,301,274)</u>	<u>5,546,308</u>
Cash and cash equivalents at beginning of year		5,546,308	-
Cash and cash equivalents at end of year		<u><u>4,245,034</u></u>	<u><u>5,546,308</u></u>

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

Range Topco Limited is a company limited by shares, incorporated in England & Wales. Its registered office is Venture House, Longford Road, Cannock, Staffordshire, England, WS11 0LG.

The Group consists of Range Topco Limited and all of its subsidiaries.

The Company's and the Group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a Group where the parent of that Group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent Company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The Group has presented the statement of financial position to show "Total assets less current liabilities". The directors consider this more appropriately represents the funding structure of the Group and Company. Net assets as at 31 August 2021 are £6,719,164 (2020 restated: £19,321,317) for the Group and £26,145,828 (2020: £26,361,295) of the Company.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 August 2021.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the target, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Going concern

In light of the Covid-19 pandemic and impact upon trading conditions within the sectors in which the Group operates, the Directors have undertaken additional reviews in respect of going concern. These include an assessment of the availability of borrowing facilities, financial covenant headroom and, at the date of signing, over 2 years worth of trading during the pandemic and associated economic conditions. The Directors have also renegotiated covenants in order to provide more headroom against current trading levels.

The Group retain the support of all financial stakeholders and there remains a market appetite to provide financing to the sector in which the Group operates. The current trading forecast continues to indicate healthy financial covenant headroom. The recent trading performance of the Group has been in line with forecasts. Under a range of downside scenarios the Directors have considered possible mitigating actions such as operational improvements, trading terms and support arrangements that could be initiated should the need arise. Alongside this scenario planning, the Directors continue to closely manage expenditure and seek increased weekly fee rates on placements across all trading divisions.

After reviewing the group's forecasts for the period to 31 August 2023 the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Reporting period

The financial statements cover a period of 12 months. The comparative reporting period is for a duration of 12 and a half months.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from the provision of residential and educational services is recognised at the end of the completed working month based on the number of days of services provided.

Where income is received in advance this is initially held in the statement of financial position and released to the profit and loss account as services are provided.

Exceptional items

Exceptional items are identified as such by the virtue of their size and nature of incidence. These items are disclosed on the face of the consolidated statement of comprehensive income to aid the understanding of the Group's performance.

Interest income

Interest income is recognised using the effective interest method.

Finance costs

Finance costs are charged to profit and loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Borrowing costs

All borrowing costs are recognised in the profit and loss in the period in which they are incurred.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit and loss over its useful economic life of 10 years.

Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line
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Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method on the following bases:

Freehold property	2% straight line
Leasehold improvements	12-48% straight line
Fixtures and fittings	33% straight line
Motor vehicles	33% straight line
Office equipment	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

All financial assets and liabilities are initially measured at transaction price (including transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument).

Basic financial assets

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

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow Group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic life of goodwill

The directors have made judgements when determining the useful economic life of goodwill. Amortisation is recognised so as to write off the value of the assets over the life that economic benefit is expected to flow. Goodwill is detailed on note 12 in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 in the financial statements for a detailed disclosure of tangible fixed assets.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including current credit rating of the debtor, the ageing profile of debtors and historical experience.

Impairment of intangible & tangible fixed assets

The Group holds intangible and tangible fixed assets at a total carrying amount of £54,634,798 (2020 as restated: £63,973,021) £15,034,036 (2020 as restated: £14,328,937) respectively. Intangible and tangible fixed assets are tested for impairment at the balance sheet date. When assessing impairment at the balance sheet date, the group will estimate the useful economic lives and residual values of the fixed assets, and recognise an impairment if necessary. Impairment of intangible and tangible fixed assets has been recognised in the year (see notes 12 and 13 respectively).

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Prior period adjustment

Changes to the statement of financial position - group

	As previously reported	Late adjustments not posted	Incorrect application of depreciation policy	Restatement of loans at amortised cost	As restated at 31 Aug 2020
	£	£	£	£	£
Fixed assets					
Goodwill	63,973,225	(204)	-	-	63,973,021
Tangible assets	13,928,053	(12,937)	413,821	-	14,328,937
Current assets					
Other debtors	1,495,771	5,932	-	-	1,501,703
Creditors due within one year					
Corporation tax payable	(520,449)	(416,698)	-	-	(937,147)
Creditors due after one year					
Bank loans	(39,919,579)	-	-	697,344	(39,222,235)
Loan notes	(20,940,615)	-	-	89,045	(20,851,570)
Provisions for liabilities					
Deferred tax	(157,859)	(1,355)	-	-	(159,214)
Net assets	<u>18,546,369</u>	<u>(425,262)</u>	<u>413,821</u>	<u>786,389</u>	<u>19,321,317</u>
Capital and reserves					
Profit and loss	<u>(7,947,201)</u>	<u>425,262</u>	<u>(413,821)</u>	<u>(786,389)</u>	<u>(7,172,253)</u>

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Prior period adjustment

	As previously reported	Late adjustments not posted	Incorrect application of depreciation policy	Restatement of loans at amortised cost	As restated at 31 Aug 2020
	£	£	£		£ £ (Continued)
Changes to the income statement - group					
Administrative expenses	(25,124,859)	(7,209)	413,821	-	(24,718,247)
Interest payable and similar expenses	(4,413,214)	-	-	786,389	(3,626,825)
Taxation	(787,114)	(418,053)	-	-	(1,205,167)
Loss after taxation	<u>(7,947,201)</u>	<u>(425,262)</u>	<u>413,821</u>	<u>786,389</u>	<u>(7,172,253)</u>

In preparing the financial statements for the year ended 31 August 2021 a number of adjustments to the prior year were identified and made which were a result of the following:

- Late adjustments were not processed in the 31 August 2020 financial statements.
- The stated depreciation policy of freehold property was not applied correctly to certain assets.
- Loans were restated to amortised cost in line with FRS102.

The comparative financial information for the period to 31 August 2020 has been restated to show the impact of these errors.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

4 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Residential	21,140,842	21,579,350
Education	21,208,071	19,573,378
Transitional services	12,643,682	13,323,648
	<u>54,992,595</u>	<u>54,476,376</u>

The total turnover of the group for the period has been wholly undertaken in the UK.

5 Exceptional administrative expenses

	2021 £	2020 £
Non-recurring staff costs	612,760	827,982
Reorganisation and restructuring costs	582,811	356,432
Non-recurring costs relating to the Covid-19 pandemic	370,169	229,917
Aborted deal fees	86,705	-
Non-recurring professional fees	264,598	-
Impairment of goodwill	2,831,541	-
Impairment of freehold properties	932,892	-
Total	<u>5,681,476</u>	<u>1,414,331</u>

Non-recurring staff costs

These represent the costs incurred in relevant staff delivering non-recurring projects.

Reorganisation and restructuring costs

These relate to the costs associated with restructuring the group involving trade and asset acquisitions, redundancies and external consultancy advice.

Non-recurring costs relating to the Covid-19 pandemic

These primarily relate to additional costs as a result of the Covid-19 pandemic including statutory sick pay and salary enhancements paid to staff.

Aborted deal fees

These costs represent professional and other costs incurred on acquisitions which did not take place.

Non-recurring professional fees

These costs mainly relate to legal fees and costs arising from participation in the CMA Market review.

Impairment of goodwill

At the year-end management performed an impairment review on the carrying value of the group's investments in non-trading entities. This resulted in the recognition of an impairment to the carrying value in the goodwill recognised on the investment in the dormant non-trading company Educare Limited.

Impairment of freehold properties

At the year-end management performed an impairment review on the carrying value of the group's freehold property portfolio and concluded that one property was held in excess of its net realisable value which resulted in the recognition of an impairment loss.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

6 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Operations	963	938	-	-
Administration	62	65	3	4
Total	1,025	1,003	3	4

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	26,470,467	24,080,448	-	-
Social security costs	2,363,344	2,054,728	-	-
Pension costs	599,322	529,108	-	-
	29,433,133	26,664,284	-	-

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,041,450	659,398
Company pension contributions to defined contribution schemes	21,458	8,600
	1,062,908	667,998

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	268,876	258,622
Company pension contributions to defined contribution schemes	1,316	1,315

The number of directors for whom retirement benefits are accruing under money purchase schemes was 3 (2020 - 3).

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Operating loss

	2021	2020 Restated
	£	£
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	2,507,373	2,323,262
Impairment of owned tangible fixed assets	932,892	-
Amortisation of intangible assets	7,241,989	7,294,033
Impairment of intangible assets	2,831,541	-
Operating lease charges	4,970,028	5,018,030
	<u> </u>	<u> </u>

9 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	170,000	100,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	-	17,350
Other taxation services	-	31,485
All other non-audit services	5,700	7,250
	<u> </u>	<u> </u>
	5,700	56,085
	<u> </u>	<u> </u>

10 Interest payable and similar expenses

	2021	2020 Restated
	£	£
Interest on bank overdrafts and loans	1,718,616	1,365,700
Amortisation of finance costs	318,959	390,595
Other interest on financial liabilities	2,069,812	1,870,530
	<u> </u>	<u> </u>
Total finance costs	4,107,387	3,626,825
	<u> </u>	<u> </u>

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Taxation

	2021 £	2020 Restated £
Current tax		
UK corporation tax on profits for the current period	638,375	1,155,817
Adjustments in respect of prior periods	(147,793)	-
Total current tax	490,582	1,155,817
Deferred tax		
Origination and reversal of timing differences	64,971	49,350
Changes in tax rates	73,984	-
Adjustment in respect of prior periods	10,097	-
Total deferred tax	149,052	49,350
Total tax charge	639,634	1,205,167

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 Restated £
Loss before taxation	(11,965,519)	(5,967,086)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,273,449)	(1,133,746)
Tax effect of expenses that are not deductible in determining taxable profit	2,499,995	734,613
Tax effect of income not taxable in determining taxable profit	-	(1,530)
Adjustments in respect of prior years	(137,696)	17,246
Effect of change in corporation tax rate	73,984	-
Temporary timing differences	-	1,578,832
Deferred tax not recognised	476,800	9,752
Taxation charge	639,634	1,205,167

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 August 2021.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 September 2020 as restated	71,267,054	-	71,267,054
Additions	-	735,307	735,307
At 31 August 2021	71,267,054	735,307	72,002,361
Amortisation and impairment			
At 1 September 2020	7,294,033	-	7,294,033
Amortisation charged for the year	7,086,251	155,738	7,241,989
Impairment losses	2,831,541	-	2,831,541
At 31 August 2021	17,211,825	155,738	17,367,563
Carrying amount			
At 31 August 2021	54,055,229	579,569	54,634,798
At 31 August 2020 as restated	63,973,021	-	63,973,021

The company had no intangible fixed assets at 31 August 2021 or 31 August 2020.

More information on impairment movements in the year is given in note 5.

Due to a wide range of possible scenarios that would dictate the useful life of the intangible asset, management have been unable to make a reliable estimate of the period of which the goodwill would be amortised and, as such, have amortised over a 10 year period.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

Group	Freehold property £	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost						
At 1 September 2020 as restated	10,734,523	2,544,995	1,827,124	257,247	1,176,652	16,540,541
Additions	411,452	691,029	2,089,723	298,146	655,014	4,145,364
Transfers	550,824	(550,824)	-	-	-	-
At 31 August 2021	11,696,799	2,685,200	3,916,847	555,393	1,831,666	20,685,905
Depreciation and impairment						
At 1 September 2020 as restated	275,970	717,622	653,272	105,293	459,447	2,211,604
Depreciation charged in the year	295,944	624,822	999,583	140,928	446,096	2,507,373
Impairment losses	932,892	-	-	-	-	932,892
At 31 August 2021	1,504,806	1,342,444	1,652,855	246,221	905,543	5,651,869
Carrying amount						
At 31 August 2021	10,191,993	1,342,756	2,263,992	309,172	926,123	15,034,036
At 31 August 2020 as restated	10,458,553	1,827,373	1,173,852	151,954	717,205	14,328,937

The company had no fixed assets at the year ended 31 August 2021 (2020: £nil).

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	1	1

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the Statement of Financial Position.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Cost or valuation

At 1 September 2020 and 31 August 2021

Shares in
group
undertakings
£

1

Carrying amount

At 31 August 2021

1

At 31 August 2020

1

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Range Midco 1 Limited	1	Intermediate holding company	Ordinary	100.00	-
Range Midco 2 Limited	1	Intermediate holding company	Ordinary	-	100.00
Range Bidco Limited	1	Intermediate holding company	Ordinary	-	100.00
Horizon 2918 Limited	1	Intermediate holding company	Ordinary	-	100.00
Horizon 2912 Limited	1	Intermediate holding company	Ordinary	-	100.00
Horizon Care and Education Group Limited	1	Residential care and education	Ordinary	-	100.00
Horizon Care Limited	1	Dormant	Ordinary	-	100.00
Lynstead Childrens Services Limited	1	Dormant	Ordinary	-	100.00
Educare Adolescent Services Limited	1	Dormant	Ordinary	-	100.00
Key2 Futures Limited	1	Transitional Services	Ordinary	-	100.00
Cressey Oasis Education Ltd	1	Education	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

- Venture House, 12 Prospect Park, Longford Road,
Staffordshire, Cannock, WS11 0LG

The financial period end of all group companies is 31 August. All companies are registered in England and Wales.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Debtors

	Group 2021	2020 Restated	Company 2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,746,479	7,424,201	-	-
Amounts owed by group undertakings	-	-	26,493,069	26,493,069
Other debtors	1,374,735	1,501,703	38,963	6,533
	<u>6,121,214</u>	<u>8,925,904</u>	<u>26,532,032</u>	<u>26,499,602</u>

Amounts due from group undertakings are repayable on demand and do not attract interest.

17 Creditors: amounts falling due within one year

	Group 2021	2020 Restated	Company 2021	2020
Notes	£	£	£	£
Trade creditors	1,636,456	936,578	-	-
Amounts owed to group undertakings	-	-	366,038	73,710
Corporation tax payable	1,457,756	937,147	-	-
Other taxation and social security	1,199,201	1,900,611	-	-
Deferred income	5,752,791	5,602,226	-	-
Other creditors and accruals	2,623,531	3,352,299	20,167	64,598
	<u>12,669,735</u>	<u>12,728,861</u>	<u>386,205</u>	<u>138,308</u>

Amounts due to group undertakings are repayable on demand and do not attract interest.

18 Creditors: amounts falling due after more than one year

	Group 2021	2020 Restated	Company 2021	2020
Notes	£	£	£	£
Bank loans	19 36,825,962	39,222,235	-	-
Loan notes	19 22,921,381	20,851,570	-	-
	<u>59,747,343</u>	<u>60,073,805</u>	<u>-</u>	<u>-</u>

Bank loans are disclosed net of unamortised debt issue costs of £1,243,420 (2020: £1,557,921).

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Borrowings

	Group 2021	2020 Restated	Company 2021	2020
	£	£	£	£
Bank loans	36,825,962	39,222,235	-	-
Loan notes	22,921,381	20,851,570	-	-
	<u>59,747,343</u>	<u>60,073,805</u>	<u>-</u>	<u>-</u>
Payable after one year	<u>59,747,343</u>	<u>60,073,805</u>	<u>-</u>	<u>-</u>

On 15 August 2019 finance facilities were entered into totalling £46.25m guaranteed by the Company and all members of the Range Topco Limited Group.

The Facility B Commitment of £29.5m (2020: £29.5m) carries a 4.25% margin (leverage-linked ratchet to 3.50%) over LIBOR and is repayable in full on 15 August 2026. At 31 August 2021 the facility was fully drawn. Interest on the facility is due for payment quarterly or six-monthly in arrears.

The Acquisition/Capex Facility Commitment of £13.75m (2020: £13.75m) carries a 4.0% margin (leverage-linked ratchet to 3.25%) over LIBOR and is repayable in full on 15 August 2025. At 31 August 2021 £9.5m (2020: £9.0m) was drawn from the facility. Interest on the drawn amount is due for payment quarterly or six-monthly in arrears.

The Revolving Facility Commitment of £3.0m (2020: £3.0m) carries a 4.0% margin (leverage-linked ratchet to 3.25%) over LIBOR and is repayable in full on 15 August 2025. At 31 August 2021 £nil (2020: £3.0m) was drawn from the facility. When drawn, interest on the facility is due for payment in arrears depending on specific utilisation requirements.

On 15 August 2019 Investor Loan Notes (unsecured redeemable loan notes) were issued totalling £13.0m. On 5 September 2019 Investor Loan Notes of a further £6.0m were issued to fund the acquisition of Cressey Oasis Education Limited (£3.4m) and settlement of the deferred consideration element of the purchase of Horizon 2918 Limited (£2.6m).

All loan notes are listed on the International Stock Exchange. Unsecured Loan Notes carry a 10% interest rate and are repayable in full on 15 August 2029. Interest on the Unsecured Loan Notes is due for payment in full on 15 August 2029.

All of the amounts relating to financing facilities are due for repayment within 5 years from 31 August 2021 and are secured by debenture. All of the amounts relating to Investor Loan Notes and priority share debt are due for repayment after 5 years from 31 August 2021.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Provisions for liabilities

		Group 2021	2020 Restated	Company 2021	2020
	Notes	£	£	£	£
Other provisions		590,572	490,973	-	-
Deferred tax liabilities	21	308,268	159,214	-	-
		<u>898,840</u>	<u>650,187</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	Other provisions £
At 1 September 2020	490,973
Additional provisions in the year	99,599
At 31 August 2021	<u>590,572</u>

Provisions for liabilities at the end of the period are for sums relating to estimated values of claims against the Group companies from former service users and employees and amounts estimated in respect of regulatory issues to be resolved. The expectation is that the provisions will be utilised in full before 31 August 2021, with the likelihood of reimbursement relating to these sums being low.

21 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Liabilities 2021 £	Liabilities 2020 Restated £
Accelerated capital allowances	313,460	159,214
Tax losses	(2,543)	-
Short term tax differences	(2,649)	-
	<u>308,268</u>	<u>159,214</u>

The company has no deferred tax assets or liabilities.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Deferred taxation (Continued)

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 September 2020 as restated	159,214	-
Charge to profit or loss	149,054	-
Liability at 31 August 2021	<u>308,268</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and principally relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>599,322</u>	<u>529,108</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At 31 August 2021, there was £202,563 (2020: £134,996) included within other creditors.

23 Share capital

	Group and Company			
	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £1 each	78,000	78,000	78,000	78,000
Ordinary B shares of £1 each	20,250	17,250	20,250	17,250
	<u>98,250</u>	<u>95,250</u>	<u>98,250</u>	<u>95,250</u>

Each class of share ranks pari passu in all respects, other than as detailed in the company's Articles of Association.

New shares allotted

On 2 November 2020, 3,000 £1 Ordinary B shares were allotted, for a consideration of £3,000.

Each class of share ranks pari passu in all respects, other than as detailed in the Company's articles of association.

24 Reserves

Share premium

Share premium account contains the excess paid for the purchase of shares above the nominal value.

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

24 Reserves (Continued)

Profit and loss reserves

Includes all current and prior period retained profits and losses.

25 Cash generated from group operations

	2021 £	2020 Restated £
Loss for the year after tax	(12,605,153)	(7,172,253)
Adjustments for:		
Taxation charged	639,634	1,205,167
Finance costs	4,107,387	3,626,825
Amortisation and impairment of intangible assets	10,073,530	7,294,033
Depreciation and impairment of tangible fixed assets	3,440,265	2,323,262
Increase in provisions	99,599	-
Movements in working capital:		
Decrease/(increase) in debtors	2,804,692	(1,231,105)
Decrease in creditors	(798,566)	(412,738)
Cash generated from operations	7,761,388	5,633,191

26 Analysis of changes in net debt - group

	1 September 2020 £	Cash flows £	Non-cash movements £	31 August 2021 £
Cash at bank and in hand	5,546,308	(1,028,117)	-	4,245,034
Due after more than 1 year				
Loan notes	(20,851,570)	-	(2,069,811)	(22,921,381)
Bank loans	(40,780,156)	2,710,774	-	(38,069,382)
Unamortised debt costs	1,557,921	-	(314,501)	1,243,420
Total due after more than 1 year	(60,073,805)	2,710,774	(2,384,312)	(59,747,343)
Total net debt	(54,527,497)	1,682,657	(2,384,312)	(55,502,309)

RANGE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	3,154,744	1,794,046	-	-
Between one and five years	4,005,129	3,681,481	-	-
In over five years	2,444,085	2,170,569	-	-
	<u>9,603,958</u>	<u>7,646,096</u>	<u>-</u>	<u>-</u>

28 Related party transactions

At 31 August 2021 Graphite Capital Partners IX, a shareholder of the group, held investor loan notes, including accrued interest amounting to £22.1m (2020: £20.1m). These loan notes accrue interest at 10% per annum which compounds annually. Interest accrued in the year amounted to £2.0m (Period ended 31 August 2020: £1.8m). Graphite Capital Partners IX also held Priority Shares, recognised as equity, at 31 August 2021 of £25.1m (2020: £25.1m). No dividends accrued on these shares.

At 31 August 2021 the directors and key managers held investor loan notes, including accrued interest amounting to £0.8m (2020: £0.7m). These loan notes accrue interest at a rate of 10% per annum which compounds annually. Interest accrued in the year amounted to £0.1m (Period ended 31 August 2020: £0.1m). The directors and key managers also held Priority Shares, recognised as equity, at 31 August 2021 totalling £1.3m (2020: £1.3m). No dividends accrued on these shares.

29 Controlling party

The B ordinary shares are held by certain individuals and funds managed by Graphite Capital. None of the funds individually has an ultimate controlling stake in the company. No individual holds more than 20% of the share capital of the company. Hence, the directors consider that there is no ultimate controlling party of the company.