

Registration number: 6019106

Alpha Plus Fostering Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2020

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Alpha Plus Fostering Limited

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Alpha Plus Fostering Limited

Company Information

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

Alpha Plus Fostering Limited

Directors' Report for the Year Ended 31 August 2020

The directors present their report and the audited financial statements for the year ended 31 August 2020. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006, including the exemption from preparing a strategic report.

Directors of the company

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

D J Leatherbarrow

S J Christie

J-L Janet

R D Edwards (resigned 29 October 2020)

The following director was appointed after the year end:

R J Cooke (appointed 6 November 2020)

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

Principal activities

The company is an independent fostering agency which provides care for looked after children through a network of carers across the country. The company is part 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 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.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 August 2020 (2019: Nil).

Employees and employment policies

The company has a policy of involving employees at all levels and keeping them informed through regular briefing sessions conducted by senior management, conferences and an annual staff engagement survey.

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

The company is committed to all employees and will make every effort to accommodate staff that are disabled or suffer illness during the course of their employment.

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.

Future developments

Demand for fostering placements remains strong with a general shortage of foster carers in England, Wales and Scotland. The company's future growth is therefore dependent on its ability to increase its foster carer base and to train foster carers to continue providing a high quality of service and support to some of the most vulnerable young people. The Group will therefore continue to invest in the recruitment, retention and ongoing training of foster carers to ensure all carers are best equipped to provide a quality service to young people in their care.

Alpha Plus Fostering Limited

Directors' Report for the Year Ended 31 August 2020 (continued)

Risk from 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.

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 year 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.

Going concern

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the year ended 31 August 2020 the Group generated strong cash flows and held a group cash balance of £6m at 31 August 2020. During the year, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

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

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.

Alpha Plus Fostering Limited

Directors' Report for the Year Ended 31 August 2020 (continued)

Small companies exemption

The company has taken advantage of the small companies exemption under Part 15 of the Companies Act 2006 in preparing this report, including the exemption from preparing a strategic report.

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.

Directors' confirmations

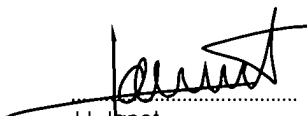
In the case of each director in office at the date the Directors' Report is approved:

- 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 independent 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 Janet
Director

21 May 2021

Alpha Plus Fostering Limited

Independent Auditors' Report to the Members of Alpha Plus Fostering Limited

Report on the audit of the financial statements

Opinion

In our opinion, Alpha Plus Fostering 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

Alpha Plus Fostering Limited

Independent Auditors' Report to the Members of Alpha Plus Fostering 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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year 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 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 4, 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.

Alpha Plus Fostering Limited

Independent Auditors' Report to the Members of Alpha Plus Fostering 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. 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

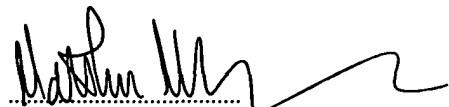
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. 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

24 May 2021

Alpha Plus Fostering Limited

Statement of Comprehensive Income for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Turnover	2	2,512	2,562
Cost of sales		<u>(1,457)</u>	<u>(1,512)</u>
Gross profit		1,055	1,050
Administrative expenses		<u>(904)</u>	<u>(896)</u>
Operating profit	4	<u>151</u>	<u>154</u>
Profit before tax		151	154
Tax on profit	6	<u>(99)</u>	<u>(120)</u>
Profit and Total comprehensive income for the financial year		<u><u>52</u></u>	<u><u>34</u></u>

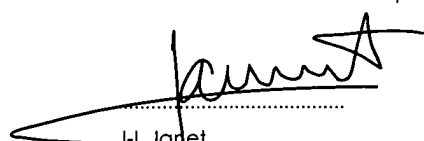
Turnover and operating profit derive wholly from continuing operations.

Alpha Plus Fostering Limited
(Registration number: 6019106)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	7	26	38
Tangible assets	8	<u>2</u>	<u>3</u>
		<u>28</u>	<u>41</u>
Current assets			
Debtors	9	5,841	5,125
Cash at bank and in hand		<u>21</u>	<u>134</u>
		5,862	5,259
Creditors: amounts falling due within one year	10	<u>(1,033)</u>	<u>(497)</u>
Net current assets		<u>4,829</u>	<u>4,762</u>
Total assets less current liabilities		4,857	4,803
Provisions for liabilities	12	<u>(20)</u>	<u>(18)</u>
Net assets		<u>4,837</u>	<u>4,785</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account		<u>4,836</u>	<u>4,784</u>
Total equity		<u>4,837</u>	<u>4,785</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 20, were approved by the Board and signed on its behalf by:


 J-L Jarlet
 Director

21 May 2021

Alpha Plus Fostering Limited

Statement of Changes in Equity for the Year Ended 31 August 2020

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2018	1	4,750	4,751
Profit for the year	-	34	34
Other comprehensive income	-	-	-
Total comprehensive income	-	34	34
At 31 August 2019	1	4,784	4,785
	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 September 2019	1	4,784	4,785
Profit for the year	-	52	52
Other comprehensive income	-	-	-
Total comprehensive income	-	52	52
At 31 August 2020	1	4,836	4,837

The notes on pages 11 to 20 form an integral part of these financial statements.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

Alpha Plus Fostering 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 years 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.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Going concern

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the year ended 31 August 2020 the Group generated strong cash flows and held a group cash balance of £6m at 31 August 2020. During the year, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

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

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 and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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:

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

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.
- Provisions - Provisions are made for dilapidations. This requires management's best estimate of the costs that will be incurred based on contractual requirements.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Turnover

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

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is recognised on the basis of the daily placements made with a full day's revenue recognised for every night a placement is with a foster carer. Revenue is measured at the fair value of the consideration received, excluding VAT and discounts.

Current and deferred tax

The tax expense for the period comprises current and deferred 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in respect of all timing differences at the reporting date. Deferred income tax is determined on an undiscounted basis using the rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable benefits.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

Depreciation

Depreciation is provided on all tangible assets at the following rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. Freehold land is not depreciated.

Asset class

Fixtures, fittings and equipment

Depreciation method and rate

25% reducing balance

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Intangible assets

Intangible assets are initially recognised at fair value. For Foster Care Base, fair value is valued on a replacement cost basis.

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

Foster Carer Base - 5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Provisions for liabilities

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the discounted salary cost payable for the period of absence.

Leases

Payments made under operating leases are charged to profit and loss on a straight line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight line basis.

Basic financial instruments

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

Basic financial assets, including trade and other debtors, cash and cash equivalents, 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 trade and other payables, bank loans, loan notes, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted as a market rate of interest. Such liabilities 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.

Pensions

A defined contribution scheme is operated for employees. The company pays fixed contributions to a separate entity and once contributions have been paid, the company has no further payment obligations. The contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme. The assets of the plans are held separately from the company in independently administered funds.

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.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Turnover

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

	2020 £ 000	2019 £ 000
Rendering of services	<u>2,512</u>	<u>2,562</u>

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

3 Other gains and losses

	2020 £ 000	2019 £ 000
Loss on disposal of property, plant and equipment	<u>-</u>	<u>(62)</u>

4 Operating profit

Operating profit is stated after charging

	2020 £ 000	2019 £ 000
Depreciation expense	1	5
Amortisation expense	12	25
Operating lease expense	41	39
Loss on disposal of tangible assets	<u>-</u>	<u>62</u>

Audit fees for 2020 (£5,163) and 2019 (£4,348) were borne by another Group company without recharge.

5 Staff costs

The aggregate payroll costs were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	298	366
Social security costs	32	39
Other pension costs	<u>31</u>	<u>32</u>
	<u>361</u>	<u>437</u>

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

	2020 No.	2019 No.
Care and support staff	<u>11</u>	<u>11</u>

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Staff costs (continued)

The directors did not receive any remuneration from the company during the year ended 31 August 2020 (2019 nil) for their services to the company. The directors were employed and their remuneration costs borne by another group company. No charge has been made to the company as in the opinion of the directors it is not possible to determine with reasonable accuracy the split by company.

6 Tax on profit

Tax charged in the statement of comprehensive income

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	101	114
Deferred taxation		
Arising from origination and reversal of timing differences	(3)	(17)
Arising from changes in tax rates and laws	1	2
Adjustments in respect of prior periods	-	21
Total deferred taxation	(2)	6
Tax expense in the statement of comprehensive income	99	120

Factors affecting tax charge for the year

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 : 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	151	154
Corporation tax at standard rate	29	29
Adjustment in respect of prior periods	-	21
Deferred tax expense relating to changes in tax rates or laws	1	2
Tax increase from transfer pricing adjustments	69	68
Total tax charge	99	120

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.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Tax on profit (continued)

Deferred tax

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

	Liability £ 000
At 01 September 2019	4
Movement in the year	(2)
At 31 August 2020	<u>2</u>

The analysis of deferred tax liabilities is as follows:

2020	Liability £ 000
Accelerated capital allowances	3
Short term timing differences	(1)
	<u>2</u>
2019	Liability £ 000
Accelerated capital allowances	4
Short term timing differences	-
	<u>4</u>

7 Intangible assets

	Foster carer base £ 000	Total £ 000
Cost		
At 1 September 2019	<u>62</u>	<u>62</u>
At 31 August 2020	<u>62</u>	<u>62</u>
Accumulated amortisation		
At 1 September 2019	24	24
Amortisation charge	<u>12</u>	<u>12</u>
At 31 August 2020	<u>36</u>	<u>36</u>
Carrying amount		
At 31 August 2020	<u>26</u>	<u>26</u>
At 31 August 2019	<u>38</u>	<u>38</u>

Amortisation is charged through administrative expenses in the profit and loss account.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Tangible assets

	Fixtures, fittings and equipment £ 000	Total £ 000
Cost		
At 1 September 2019	26	26
At 31 August 2020	26	26
Accumulated depreciation		
At 1 September 2019	23	23
Charge for the year	1	1
At 31 August 2020	24	24
Carrying amount		
At 31 August 2020	2	2
At 31 August 2019	3	3

9 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	273	242
Amounts owed by group undertakings	5,530	4,850
Other debtors	5	4
Prepayments and accrued income	33	29
Total current trade and other debtors	5,841	5,125

All amounts fall due within one year.

Trade debtors are stated after provisions for impairment of £3,558 (2019: £2,121).

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. No interest was charged in the year (2019: none).

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	8	4
Amounts owed to group undertakings	950	435
Taxation and social security	8	9
Outstanding defined contribution pension costs	6	3
Accruals and deferred income	61	46
	<u>1,033</u>	<u>497</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. No interest was charged in the year (2019: none).

11 Commitments under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	2020 £ 000	2019 £ 000
Not later than one year	<u>14</u>	<u>41</u>
	<u>14</u>	<u>41</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £40,500 (2019: £39,015).

12 Provisions for liabilities

	Deferred tax £ 000	Dilapidations £ 000	Total £ 000
At 1 September 2019	4	14	18
(Decrease)/increase in existing provisions	<u>(2)</u>	<u>4</u>	<u>2</u>
At 31 August 2020	<u>2</u>	<u>18</u>	<u>20</u>

Dilapidations

As part of the company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises.

The provision is expected to be utilised between September 2020 and August 2027 over the life of the lease.

Alpha Plus Fostering Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Called up share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>

14 Contingent liabilities

The company has given security by way of unlimited fixed and floating charges over all of its assets to the finance parties providing banking facilities to 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 (2019: £513.2m).

15 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.

16 Controlling party

The company's immediate parent of NFAP Limited, a company incorporated in England and Wales. SSCP Spring Topco Limited, a company incorporated in England and Wales, is an immediate parent company, SSCP Spring Holdings SCA, a company incorporated in Luxembourg, owns 83.51% (2019: 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 group to consolidate these financial statements is SSCP Spring Midco 2 Limited and the largest group to consolidate these financial statements is SSCP Topco Limited. These consolidated financial statements are publicly available upon request from Atria, Spa Road, Bolton, BL1 4AG.