

SSCP Spring MidCo 1 Limited

Annual Report and Financial Statements

for the Period from 1 April 2016 to 31 August 2017

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SSCP Spring MidCo 1 Limited

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SSCP Spring MidCo 1 Limited

Company Information

Directors	I J Anderson J-L Janet
Company secretary	H Lecky
Registered office	Frays Court 71 Cowley Road Uxbridge Middlesex UB8 2AE
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

SSCP Spring MidCo 1 Limited

Strategic Report for the Period from 1 April 2016 to 31 August 2017

The directors present their strategic report for the period from 1 April 2016 to 31 August 2017.

Principal activities

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 principal activity of the company is that of holding investments and financing for the Group.

The Group Statement of Purpose is to be "Simply the Best" children's services provider. The Group aims to provide outstanding services for children and young people through enthusiasm and commitment.

Fair review of the business

The loss for the period, after taxation amounted to £35,694,000 (2016: £4,616,000).

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

	Unit	2017	2016
	£000		
Interest payable and similar expenses		25,964	8,799

Given the nature of the company the directors monitor the interest costs. The increase in the costs is due to the extended financial period, the issue of new loan notes and preference shares, and interest being charged on the principle amounts of the loan notes as well as the rolled up interest during the period.

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

Principal risks and uncertainties

Financial risks

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

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

Credit risk

Credit risk arises principally on third party derived revenues. Company policy is aimed at minimising such risk, and collection of debts is actively managed to ensure that payments are received in a timely manner. The company's customers are primarily local authorities and have a good payment history. The directors believe that the company's exposure to bad debts is not significant.

Liquidity risk

The company's liquidity risk is managed through the Group finance function. Capital expenditure is approved at Group level. Day to day cash flow flexibility is maintained by retaining surplus cash in readily accessible bank accounts. Working capital requirements are funded primarily through each Group company's resources, although the company does have recourse to additional funding through Group banking facilities.

Interest rate risk

During the period interest rate risk was managed through the Group finance function using hedging instruments. The Group uses interest rate swaps to partially manage exposure to interest rate movements.

Market price risk

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

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

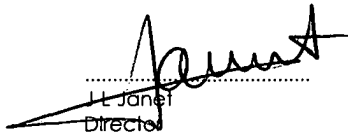
SSCP Spring MidCo 1 Limited

Strategic Report for the Period from 1 April 2016 to 31 August 2017 (continued)

Foreign currency risk

The business has no exposure to foreign currency.

Approved by the Board and signed on its behalf by:



J L Janet
Director

23 February 2018

SSCP Spring MidCo 1 Limited

Directors' Report for the Period from 1 April 2016 to 31 August 2017

The directors present their report and the audited financial statements for the period from 1 April 2016 to 31 August 2017.

Directors of the company

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

I J Anderson

J-L Janet (appointed 31 August 2016)

R I Burns (resigned 29 September 2016)

A V Holt (resigned 6 July 2017)

The company purchased and maintained throughout the period and at the date of approval of the financial statements, directors' and officers' liability insurance in respect of the company's directors.

Proposed dividend

The directors do not recommend the payment of a dividend (2016: none).

Political and charitable donations

During the period the company made no political or charitable donations (2016: nil).

Employees and employment policies

The company has no employees (2016: none).

Future developments

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

Matters covered in the strategic report

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

Going concern

The company is a subsidiary of SSCP Spring Topco Limited and its financial resources are managed on a Group basis. For the period ending 31 August 2017 the Group generated strong cash flows and held a group cash balance of £22.0m at 31 August 2017. During the period, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

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

SSCP Spring MidCo 1 Limited

Directors' Report for the Period from 1 April 2016 to 31 August 2017 (continued)

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 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.

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.

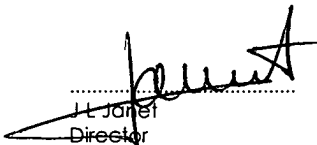
In the case of each director in office at the date the Directors' Report is approved:

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

Reappointment of auditors

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

Approved by the Board and signed on its behalf by:



J. L. Jones
Director

23. February 2018

SSCP Spring MidCo 1 Limited

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

Report on the financial statements

Opinion

In our opinion, SSCP Spring MidCo 1 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss for the 17 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 August 2017 ;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 period 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

SSCP Spring MidCo 1 Limited

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

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

23 February 2018

SSCP Spring MidCo 1 Limited

Statement of Comprehensive Income for the Period from 1 April 2016 to 31 August 2017

		1 April 2016 to 31 August 2017 £ 000	2 December 2014 to 31 March 2016 £ 000
Turnover		-	-
Exceptional item	2	<u>(10,000)</u>	<u>-</u>
Operating loss	2	<u>(10,000)</u>	<u>-</u>
Interest receivable and similar income	3	-	4,183
Interest payable and similar expenses	4	<u>(25,694)</u>	<u>(8,799)</u>
Net interest payable		<u>(25,694)</u>	<u>(4,616)</u>
Loss on ordinary activities before tax		<u>(35,694)</u>	<u>(4,616)</u>
Loss and Total comprehensive income for the financial period		<u><u>(35,694)</u></u>	<u><u>(4,616)</u></u>

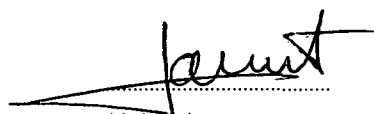
Turnover and operating derive wholly from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

SSCP Spring MidCo 1 Limited
(Registration number: 09337690)
Balance Sheet as at 31 August 2017

	Note	31 August 2017 £ 000	31 March 2016 £ 000
Current assets			
Debtors	7	149,112	76,703
Creditors: amounts falling due within one year	8	<u>(35,901)</u>	<u>(9,671)</u>
Total assets less current liabilities		113,211	67,032
Creditors: amounts falling due after more than one year	9	<u>(140,158)</u>	<u>(70,696)</u>
Net liabilities		<u>(26,947)</u>	<u>(3,664)</u>
Capital and reserves			
Called up share capital	10	13,363	952
Profit and loss account		<u>(40,310)</u>	<u>(4,616)</u>
Total equity		<u>(26,947)</u>	<u>(3,664)</u>

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



J-L Jarret
Director

23
..... February 2018

SSCP Spring MidCo 1 Limited

Statement of Changes in Equity for the Period from 1 April 2016 to 31 August 2017

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
Loss for the period	-	(4,616)	(4,616)
Other comprehensive income	-	-	-
Total comprehensive income	-	(4,616)	(4,616)
New share capital subscribed	952	-	952
At 31 March 2016	<u>952</u>	<u>(4,616)</u>	<u>(3,664)</u>
	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 April 2016	<u>952</u>	<u>(4,616)</u>	<u>(3,664)</u>
Loss for the period	-	(35,694)	(35,694)
Other comprehensive income	-	-	-
Total comprehensive income	-	(35,694)	(35,694)
New share capital subscribed	12,411	-	12,411
At 31 August 2017	<u>13,363</u>	<u>(40,310)</u>	<u>(26,947)</u>

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017

1 Accounting policies

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

The Registered Office is Frays Court, 71 Cowley Road, Uxbridge, Middlesex, UB8 2AE.

Statement of compliance

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

Basis of preparation

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

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

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

Significant accounting policies

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

Summary of exemptions

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

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

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

Name of parent of group

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

Group accounts not prepared

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

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

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (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 period ending 31 August 2017 the Group generated strong cash flows and held a group cash balance of £22.0m at 31 August 2017. During the period, the Group was financed by a mixture of equity funding (ordinary and preference shares), unsecured loan notes, senior banking facilities and operating cash flows from the underlying business of the Group.

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

Judgements

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

The following judgement (apart from those involving estimates) has 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:

- Impairment of investments - The company considers whether there are any indicators of impairment in the carrying value of investments. Factors taken into account include the financial position and expected future financial performance, including forecast cash flows, of the investment.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty:

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

Turnover

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

Investments

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

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

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.

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

1 Accounting policies (continued)

Basic 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 at 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.

Share capital

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

2 Operating loss

Audit fees for 2017 (£2,258) and 2016 (£4,700) were borne by another Group company without recharge.

Exceptional item: The company has waived, by way of a written deed of release entered into between the company and subsidiary undertakings, its right to receive £10m lent to those companies.

The company had no employees, other than the directors, during the period under review (2016: None).

The directors did not receive any remuneration from the company during the period ended 31 August 2017 (2016: nil) for their services to the company. The directors were employed and their remuneration costs borne by another group company. No charge has been made to the company as in the opinion of the directors it is not possible to determine with reasonable accuracy the split by company.

3 Other interest receivable and similar income

	1 April 2016 to 31 August 2017 £ 000	2 December 2014 to 31 March 2016 £ 000
Interest on intercompany loan	-	4,183

4 Interest payable and similar expenses

	1 April 2016 to 31 August 2017 £ 000	2 December 2014 to 31 March 2016 £ 000
Interest on preference shares	7,035	-
Deferred finance costs	78	-
Interest payable on loans from group undertakings	-	601
Interest on investor loan notes	18,581	8,198
	<u>25,694</u>	<u>8,799</u>

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

5 Tax on loss on ordinary activities

Factors affecting tax charge for the period

The tax on loss before tax for the period is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.71% (2016 - 20%).

The differences are reconciled below:

	1 April 2016 to 31 August 2017 £ 000	2 December 2014 to 31 March 2016 £ 000
Loss on ordinary activities before tax	(35,694)	(4,616)
Corporation tax at standard rate	(7,035)	(923)
Effect of expense not deductible in determining taxable profit (tax loss)	6,286	1,640
Tax increase from transfer pricing adjustments	1,632	-
Tax decrease arising from group relief	(883)	(717)
Total tax charge/(credit)	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

6 Investments held as fixed assets

Subsidiaries	Shares in group undertakings £
Cost and net book value	
At 1 April 2016	1
Additions	-
At 31 August 2017	1

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

6 Investments held as fixed assets (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
Subsidiary undertakings			
SSCP Spring Midco 2 Limited*	England & Wales	100%	Holding of investments and financing for the Group
SSCP Spring Bidco Limited*	England & Wales	100%	Holding of investments and financing for the Group
Belton Associates (Group Holdings) Limited*	England & Wales	100%	Holding of investments and financing for the Group
Belton Associates Group Limited*	England & Wales	100%	Holding of investments
Belton Associates Holdings Limited*	England & Wales	100%	Holding of investments
Belton Associates Limited*	England & Wales	100%	Holding of investments and the provision of management services for the Group
NFAH Limited*	England & Wales	100%	Holding of investments
NFAG Limited*	England & Wales	100%	Holding of investments and properties
The National Fostering Agency Limited*	England & Wales	100%	Provision of foster care services
The National Fostering Agency (Scotland) Limited*	England & Wales	100%	Provision of foster care services
The FosterCare Agency Limited*	England & Wales	100%	Provision of foster care services
NFA Partnerships Limited*	England & Wales	100%	Holding of investments
NFAP Limited*	England & Wales	100%	Holding of investments
Children First Fostering Agency Limited*	England & Wales	100%	Provision of foster care services
Alliance Foster Care Limited*	England & Wales	100%	Provision of foster care services
Alpha Plus Fostering Limited*	England & Wales	100%	Provision of foster care services
Jay Fostering Limited*	England & Wales	100%	Provision of foster care services
Care Administration and Management Services Limited*	England & Wales	100%	Provision of foster care services
Kindercare Fostering Limited*	England & Wales	100%	Dormant
Kindercare Fostering Northern Ireland Limited**** ^	Northern Ireland	100%	Provision of foster care services
Fostering Relations Limited**** ^	Scotland	100%	Provision of foster care services
Archway Care Limited*	England & Wales	100%	Provision of foster care services
Independent Foster Care Services Limited*	England & Wales	100%	Provision of foster care services
Acorn Care 1 Limited**	England & Wales	100%	Holding of investments

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

6 Investments held as fixed assets (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
Acorn Care 2 Limited**	England & Wales	100%	Holding of investments
Acorn Care 3 Limited**	England & Wales	100%	Holding of investments
Acorn Care 4 Limited**	England & Wales	100%	Holding of investments
Acorn Care and Education Limited**	England & Wales	100%	Holding of investments and the provision of management services for the Group
Acorn Norfolk Limited**	England & Wales	100%	Provision of care and education services
Acorn Academies Limited**	England & Wales	100%	Dormant
Advance Foster Care Limited**	England & Wales	100%	Dormant
Ascot College Limited**	England & Wales	100%	Provision of care and education services
Belmont School Limited**	England & Wales	100%	Provision of care and education services
Bramfield House School**	England & Wales	100%	Provision of care and education services
Careforward Limited**	England & Wales	100%	Dormant
Crookhey Hall Limited**	England & Wales	100%	Provision of care and education services
Focus on Fostering Limited**	England & Wales	100%	Provision of foster care services
Fostering Solutions Limited**	England & Wales	100%	Provision of foster care services
Fostering Solutions (Hitchin) Limited**	England & Wales	100%	Provision of foster care services
Fostering Solutions (Northern) Limited** ^	England & Wales	100%	Provision of foster care services
Happen FosterCare Limited**	England & Wales	100%	Dormant
Happen Holdings Limited**	England & Wales	100%	Dormant
Heath Farm Limited**	England & Wales	100%	Holding of investments
Heath Farm Family Services Limited**	England & Wales	100%	Provision of foster care and education services
Heath Farm Fostering Agency Limited**	England & Wales	100%	Dormant
Hopscotch Solutions Limited**	England & Wales	100%	Provision of care and education services
Jafa North East UK Limited**	England & Wales	100%	Dormant
Jafa (Pipss) Limited**	England & Wales	100%	Dormant
Kestrel House London Limited**	England & Wales	100%	Provision of care and education services
Kestrel House School Limited**	England & Wales	100%	Holding of investments
Kids and Carers Limited**	England & Wales	100%	Dormant
Knossington Grange School Limited**	England & Wales	100%	Provision of care and education services

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

6 Investments held as fixed assets (continued)

Undertaking	Country of incorporation	Percentage	Principal activity
Longdon Hall School Limited**	England & Wales	100%	Provision of care and education services
Meadowcroft Residential Schools Limited**	England & Wales	100%	Provision of care and education services
National Fostering Agency West Limited**	England & Wales	100%	Provision of foster care services
Partners in Parenting Limited**	England & Wales	100%	Provision of foster care services
Pathway Care (Bristol) Limited**	England & Wales	100%	Provision of foster care services
Pathway Care Group Limited**	England & Wales	100%	Holding of investments
Pathway Care (Holdings) Limited**	England & Wales	100%	Holding of investments
Pathway Care (Midlands) Limited**	England & Wales	100%	Provision of foster care services
Pathway Care Solutions Group Limited**	England & Wales	100%	Provision of residential care services
Pathway Care Solutions II Limited**	England & Wales	100%	Provision of residential care services
Pathway Care Solutions Limited**	England & Wales	100%	Provision of residential care services
Pathway Care South West Limited**	England & Wales	100%	Provision of foster care services
Underley Education Services Limited**	England & Wales	100%	Provision of care and education services
Pentangle Management and Consultancy Limited**	England & Wales	100%	Dormant
The Clarion Agency**	England & Wales	100%	Dormant
Threemilestone Education Limited**	England & Wales	100%	Provision of care and education services
Underley Schools Limited**	England & Wales	100%	Provision of care and education services
Waterloo Lodge School Limited**	England & Wales	100%	Provision of care and education services

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

SSCP Spring Midco 2 Limited is held directly by the company. All other investments are held indirectly by a subsidiary undertaking.

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

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

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

6 Investments held as fixed assets (continued)

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

* Frays Court, 71 Cowley Road, Uxbridge, UB8 2AE.

** 1 Merchant's Place, River Street, Bolton, Lancashire, BL2 1BX.

*** Unit 24 Castlereagh Industrial Estate, 40 Montgomery Road, Belfast, Northern Ireland, BT6 9HL.

**** Dalgety Bay Business Centre, Sybrig House, Ridge Way, Dalgety Bay, Fife, KY11 9JN.

7 Debtors

	31 August 2017 £ 000	31 March 2016 £ 000
Receivables from related parties	149,112	76,703
Total current trade and other debtors	<u>149,112</u>	<u>76,703</u>

Amounts owed by other group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. No interest was charged in the period (2016: 1 year LIBOR +5% was charged on the average balance in the year).

8 Creditors: amounts falling due within one year

	31 August 2017 £ 000	31 March 2016 £ 000
Amounts owed to group undertakings	9,121	9,671
Interest accrued on loan notes	26,780	-
	<u>35,901</u>	<u>9,671</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 period (2016: 1 year LIBOR +5% was charged on the average balance in the year).

9 Creditors: amounts falling due after more than one year

	31 August 2017 £ 000	31 March 2016 £ 000
Loan notes	88,036	70,696
Preference shares	45,087	-
Interest accrued on preference shares	7,035	-
	<u>140,158</u>	<u>70,696</u>

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

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

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

	1 April 2016 to 31 August 2017 £ 000	2 December 2014 to 31 March 2016 £ 000
Amounts falling due after more than five years		
Loan notes	88,036	70,696
Preference shares and interest accrued	52,122	-
	<u>140,158</u>	<u>70,696</u>

Investor loan notes

£62,498,250 of unsecured investor loan notes in the company are held by SSCP Spring Holdings SCA). These loan notes carry an interest rate of 14% and are repayable on 24 April 2025. Interest is capitalised and added to the outstanding loan balance on an annual basis. At 31 August 2017 the value of capitalised interest was £18,915,249 (2016: £8,198,000), with a further £3,840,933 interest accrued (2016: £nil).

Issue costs of £462,000 are outstanding at 31 August 2017 and are being amortised over the period to January 2024.

During the period, £16,000,000 of variable rate investor loan notes were issued. These loan notes carry an interest rate of LIBOR+13.5% per annum and are repayable on 8 February 2024. Interest is capitalised and added to the outstanding loan balance on a quarterly basis. At 31 August 2017 the value of capitalised interest was £2,604,838. On 3 November 2017, these loan notes were listed on The International Stock Exchange Limited ("TISE").

As part of the the Group's acquisition of Acorn Care 1 Limited, £10,000,000 of unsecured vendor loan notes were issued to the previous majority investor of Acorn Care 1 Limited and its subsidiaries. These loan notes carry an interest rate of 12.5% and are repayable on 2 November 2024. Interest is capitalised and added to the outstanding loan balance on a quarterly basis. At 31 August 2017 the value of capitalised interest was £1,418,751. On 3 November 2017, these loan notes were listed on The International Stock Exchange Limited ("TISE").

Redeemable preference shares

The 14% cumulative redeemable preference shares on which interest of £7,035,000 (2016: £nil) was accrued in the period, are redeemable on 24 April 2025.

10 Called up share capital

Allotted, called up and fully paid shares

	31 August 2017		31 March 2016	
	No. 000	£ 000	No.000	£ 000
Ordinary shares of £1 each	<u>13,363</u>	<u>13,363</u>	<u>952</u>	<u>952</u>

11 Contingent liabilities

During the period the company gave security by way of unlimited fixed and floating charges over all of its assets to the finance parties providing banking facilities to 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 SSCP Spring Bidco Limited at 31 August 2017 was £290.4m (2016: £131.6m).

SSCP Spring MidCo 1 Limited

Notes to the Financial Statements for the Period from 1 April 2016 to 31 August 2017 (continued)

12 Related party transactions

SSCP Spring Holdings SCA, the ultimate controlling party, holds preference shares in the company of £45,086,507 (2016: £nil) on which interest accrued in the period of £7,035,000. Other investor loan stock held by SSCP Spring Holdings SCA has been disclosed at note 9.

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

13 Controlling party

The company's immediate parent is SSCP Spring Topco Limited, a company incorporated in England and Wales. The ultimate parent is SSCP Spring Topco Limited, a company incorporated in England and Wales.

SSCP Spring Holdings SCA, a company incorporated in Luxembourg, owns 84.34% of SSCP Spring Topco Limited's equity share capital and is deemed to be the ultimate controlling party.

The smallest and largest group to consolidate these financial statements is SSCP Spring Topco Limited. These consolidated financial statements are publicly available upon request from Frays Court, 71 Cowley Road, Uxbridge, Middlesex, UB8 2AE.