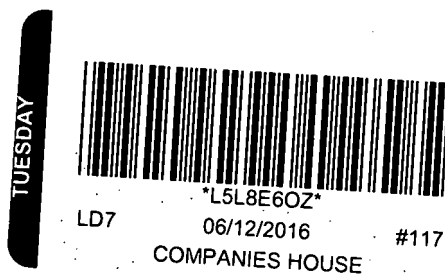


# **Jay Fostering Limited**

## **Directors' report and financial statements**

Registered number 04822721  
for the year ended 31 March 2016



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## Strategic report

The directors present their strategic report and the financial statements of Jay Fostering Limited for the year ended 31 March 2016.

### Definitions

Throughout this report and the financial statements, the term "Company" refers to Jay Fostering Limited and the term "Group" refers to the group of companies headed by SSCP Spring Topco Limited of which the Company is a subsidiary undertaking.

### Principal activities

The principal activities of the Company are those of recruiting, training and supervising foster carers to offer safe and secure placements for children and young people. Details of the Company's activities during the year, performance indicators and information regarding principal risks and uncertainties are set out below.

### Overview

Economic and budgetary pressures remain at the forefront of Local Authorities' strategy to continue to achieve sustainable cost reductions in all areas including children's services. Fee rates for fostering services are almost entirely managed and controlled by Local Authorities through sophisticated contract tendering processes. Despite this ongoing pressure to reduce unit costs, the Company has increased its revenue and maintained satisfactory profitability, through its focus on providing a relevant and focussed high quality service that offers value for money and measurable outcomes. The Company's principal revenue sources are within the public sector, substantially reducing the risk of bad debt.

The Company has formal contract arrangements with the local authorities, reflecting its ability to respond successfully to a wide range of tender opportunities, contract extensions and the various renewal processes within existing contracts. This has resulted in sustained and increased levels of referrals for placements from customers. Placements have continued to increase in complexity, as Local Authorities consider the options of placing young people with challenging behaviours into a foster care family environment as an alternative to more expensive residential environments. The Company offers a range of appropriately priced service offers and solutions to meet these varied requirements. The Company has invested in maintaining and enhancing its programme of up-skilling its carers, particularly through its carer academy, to ensure carers have the skills and confidence to manage a range of placement types. In addition, an extensive analysis of customer need and geography has been aligned to local carer recruitment to ensure availability of the right carers in the right place at the right time.

### Objectives and strategy

A comprehensive planning process is undertaken each year with strategy and commercial objectives being clearly identified for a three-year period and a detailed business plan with KPI measurement for the current trading year.

The Company continues to develop its culture and operating focus around its Vision and Mission through the inculcation of its Values as the guiding principles at all levels of its business activities:

#### Vision:

The vision is to be "Simply the Best" fostering provider.

#### Mission Statement:

Delivering outstanding services for children and young people through enthusiasm and commitment.

## ***Strategic report (continued)***

### **Values:**

#### **People:**

“Respect and consideration in how we treat people”

Respect for others and a commitment to working together to collectively achieve our goals and aspirations.

#### **Service:**

“Passion and integrity in what we do”

Extraordinary creativity in service and innovation by demonstrating our willingness to explore new approaches to improve the quality of life for children and young people in our care.

#### **Quality:**

“Excellence and trust in our outcomes”

All we do meets or exceeds all statutory requirements and aims to achieve excellence through attention to detail and demonstrating best practice.

#### **Finance:**

“Ethical and transparent in what we charge”

Being open and honest with our customers in being able to demonstrate value for money through our propositions and service offers.

### **Markets and regulatory**

The Company operates throughout the East and West Midlands with a registered manager with accountability for their individual local budget and practice responsibility for leading a team of fully qualified social workers.

The regulatory regime in England is the responsibility of Ofsted. The Company's processes and procedures are uniform throughout the region enabling performance comparisons.

Qualified data published by the UK Statistics Authority, Scottish Government, Department of Education (England), Northern Ireland Statistics and Research Agency and the Welsh Government Statistics, shows consistent historic growth in numbers of looked after children, and this is likely to continue into the foreseeable future. Therefore, the Company is committed to maximising its ability to respond with innovative solutions to support customers in addressing their budgetary restrictions, whilst focussing on the quality of the outcomes for the children and young people in its care.

The Company uses these data trends, national and country specific policy guidelines and regulatory guidance to prepare and direct its strategy.

The Company continues to invest in both carer and staff training through a dedicated national department, supported by specialist external trainers where required, in order to maintain quality and evidence competence and capacity for the future.

## ***Strategic report (continued)***

### **Technology**

The Company's database systems provide a sophisticated IT platform that underpins the ability to measure and record the required key outcomes for children in its care. The secure data enables individual monitoring, recording and evidencing of all foster carer and child activities on a daily basis. A group intranet provides an extensive repository for policies, procedures, guidance and general information and is always available.

Investment in financial systems and upgrades in web communication tools have further improved information gathering and direct communication with carers. Plans continue to develop these initiatives into the future, using technology advances as appropriate to enhance the group's information capability.

### **Performance**

The results for the Company show a profit on ordinary activities before taxation of £882k (2015: £837k) for the year and turnover of £6.960m (2015: £6.689m).

The Company monitors its performance through robust monthly management accounts and a range of indicators measuring regional and national outturns. Management accounts, KPIs and rolling actions are reviewed monthly with individual responsible managers. The principal KPI is placement numbers which was 2,877 for the Group and 188 for the Company as at 31<sup>st</sup> March 2016.

### **Risk and uncertainties**

The Company has put in place a series of processes and procedures to mitigate identified areas of risk and minimise its exposure, investing appropriately in resources to enable these risks to be effectively managed, for example:

- **Regulatory compliance:** The Company retains a fully resourced Quality Assurance team to review, control and rigorously audit the group's social work practices and compliance procedures. Team members are located at all the Company's practice centres and cover the entire UK operation.
- **Economic risk:** In the current economic environment, the Company's customers continue to operate under budget restrictions in addition to their statutory corporate parenting responsibilities. Through its regional management and commercial team, the Company maintains close contact with its customers at a number of levels and provides solutions to assist customers in meeting their desired levels of child focussed outcomes whilst addressing maximum value from available budgets.
- **Carer recruitment and retention:** The Company has a structured team of carer recruitment officers embedded within its operations and co-ordinated centrally to maximise information and optimise campaign implementation. Carer types and levels of recruitment are aligned to local need, location and referral volumes.
- **People and reputation risk:** All employees are appointed after a thorough assessment based on references, qualifications and all relevant statutory checks. Foster carers undergo a disciplined and thorough assessment process, which includes a range of references and regulatory checks before approval at one of the group's independent panels. The Company maintains a Safeguarding Committee, chaired by the Group Chief Executive. This committee meets regularly to ensure the group has effective processes relating to the protection of children from abuse or neglect, preventing impairment of their health and development and ensuring that they grow up in circumstances consistent with the provision of safe and effective care. The aim of these processes is to enable children to have optimum life chances and enter adulthood successfully.



**A V Holt**  
Director

Frays Court  
71 Cowley Road  
Uxbridge  
Middlesex UB8 2AE  
14 September 2016

## Directors' report

The directors present their directors' report and audited financial statements of Jay Fostering Limited for the year ended 31 March 2016.

### Business Review

The results for the Company show a profit on ordinary activities before taxation of £882k (2015: £837k) for the year and turnover of £6.960m (2015: £6.689m). The Company waived £900k of inter-Company debt during the year, and its trading result was in line with management expectation. The Company is a subsidiary of the SSCP Spring Topco Limited. The Company's operations are managed as a region within that Group. A detailed business review discussing the objectives and strategy, markets, key performance indicators, 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.

### Future developments

Future developments are deemed to be of strategic importance to the Company and as such have been outlined within the strategic report.

### 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, an annual conference, staff engagement survey and a staff consultancy committee.

The Company follows an employment policy of non-discrimination on the grounds of sex, race or age and gives full and fair 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.

### Directors

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

I J Anderson  
A V Holt

The Company purchased and maintained throughout the year, 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 final dividend (2015: £nil).

### Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2015: £nil).

## **Directors' report *(continued)***

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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. They 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.

### **Statement of disclosure of information to auditors**

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) 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.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



**A V Holt**  
Director

Frays Court  
71 Cowley Road  
Uxbridge  
Middlesex  
UB82AE  
14 September 2016

# ***Independent auditors' report to the members of Jay Fostering Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Jay Fostering Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year 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 Directors' report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year 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.

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### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, 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.

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### **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.

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#### **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.

## ***Independent auditors' report to the members of Jay Fostering Limited (continued)***

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

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#### **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 parent 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.

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#### **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.



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

14 September 2016

**Statement of Comprehensive Income**  
*for the year ended 31 March 2016*

|                                                      | <i>Notes</i> | <b>2016<br/>£000</b> | <b>2015<br/>£000</b> |
|------------------------------------------------------|--------------|----------------------|----------------------|
| <b>Turnover</b>                                      | <b>5</b>     | <b>6,960</b>         | <b>6,689</b>         |
| Cost of sales                                        |              | (3,931)              | (3,726)              |
| <b>Gross profit</b>                                  |              | <b>3,029</b>         | <b>2,963</b>         |
| Administrative expenses                              |              | (1,584)              | (1,226)              |
| Exceptional item                                     | <b>6</b>     | (900)                | (900)                |
| <b>Total administrative expenses</b>                 |              | <b>(2,484)</b>       | <b>(2,126)</b>       |
| <b>Operating profit</b>                              | <b>6</b>     | <b>545</b>           | <b>837</b>           |
| Interest receivable and similar income               | <b>8</b>     | 337                  | -                    |
| <b>Profit on ordinary activities before taxation</b> |              | <b>882</b>           | <b>837</b>           |
| Tax on profit on ordinary activities                 | <b>9</b>     | 5                    | 122                  |
| <b>Profit for the financial year</b>                 | <b>15</b>    | <b>887</b>           | <b>959</b>           |
| <b>Total comprehensive income</b>                    |              | <b>887</b>           | <b>959</b>           |

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.  
The company has no other comprehensive income.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

**Balance Sheet**  
*as at 31 March 2016*

|                                                       | <i>Note</i> | <b>2016<br/>£000</b> | <b>2016<br/>£000</b> | <b>2015<br/>£000</b> | <b>2015<br/>£000</b> |
|-------------------------------------------------------|-------------|----------------------|----------------------|----------------------|----------------------|
| <b>Fixed assets</b>                                   |             |                      |                      |                      |                      |
| Tangible assets                                       | <i>10</i>   |                      | <b>148</b>           |                      | <b>40</b>            |
|                                                       |             |                      | <hr/>                |                      | <hr/>                |
|                                                       |             |                      | <b>148</b>           |                      | <b>40</b>            |
| <b>Current assets</b>                                 |             |                      |                      |                      |                      |
| Debtors                                               | <i>11</i>   | <b>5,850</b>         |                      | <b>4,851</b>         |                      |
| Cash at bank and in hand                              |             | <b>650</b>           |                      | <b>861</b>           |                      |
|                                                       |             | <hr/>                |                      | <hr/>                |                      |
|                                                       |             | <b>6,500</b>         |                      | <b>5,712</b>         |                      |
| <b>Creditors: amounts falling due within one year</b> | <i>12</i>   | <b>(161)</b>         |                      | <b>(152)</b>         |                      |
|                                                       |             | <hr/>                |                      | <hr/>                |                      |
| <b>Net current assets</b>                             |             |                      | <b>6,339</b>         |                      | <b>5,560</b>         |
|                                                       |             |                      | <hr/>                |                      | <hr/>                |
| <b>Total assets less current liabilities</b>          |             |                      | <b>6,487</b>         |                      | <b>5,600</b>         |
|                                                       |             |                      |                      |                      |                      |
| <b>Provisions for liabilities</b>                     | <i>13</i>   |                      | <b>(39)</b>          |                      | <b>(39)</b>          |
|                                                       |             |                      | <hr/>                |                      | <hr/>                |
| <b>Net assets</b>                                     |             |                      | <b>6,448</b>         |                      | <b>5,561</b>         |
|                                                       |             |                      | <hr/>                |                      | <hr/>                |
| <b>Capital and reserves</b>                           |             |                      |                      |                      |                      |
| Called up share capital                               | <i>14</i>   |                      | <b>-</b>             |                      | <b>-</b>             |
| Profit and loss account                               | <i>15</i>   |                      | <b>6,448</b>         |                      | <b>5,561</b>         |
|                                                       |             |                      | <hr/>                |                      | <hr/>                |
| <b>Total equity</b>                                   |             |                      | <b>6,448</b>         |                      | <b>5,561</b>         |
|                                                       |             |                      | <hr/>                |                      | <hr/>                |

These financial statements on pages 8 to 21 were approved by the board of directors on 14 September 2016 and were signed on its behalf by:



**A V Holt**  
*Director*

*Company registered number 04822721*

**Statement of changes in equity**  
*For year ended 31 March 2016*

|                                            | <i>Note</i> | <b>Called up<br/>share capital</b> | <b>Profit and<br/>Loss Account</b> | <b>Total Equity</b> |
|--------------------------------------------|-------------|------------------------------------|------------------------------------|---------------------|
|                                            |             | <b>£000</b>                        | <b>£000</b>                        | <b>£000</b>         |
| Balance at 1 April 2014                    | 21          | -                                  | 4602                               | 4602                |
| Total comprehensive<br>income for the year | 21          | -                                  | 959                                | 959                 |
|                                            |             | <hr/>                              | <hr/>                              | <hr/>               |
| Balance at 31 March 2015                   | 21          | -                                  | 5,561                              | 5,561               |
|                                            |             | <hr/>                              | <hr/>                              | <hr/>               |
| Balance at 1 April 2015                    | 15          | -                                  | 5,561                              | 5,561               |
| Total comprehensive<br>income for the year | 15          | -                                  | 887                                | 887                 |
|                                            |             | <hr/>                              | <hr/>                              | <hr/>               |
| <b>Balance at 31 March 2016</b>            | 15          | <b>-</b>                           | <b>6,448</b>                       | <b>6,448</b>        |
|                                            |             | <hr/>                              | <hr/>                              | <hr/>               |

## Notes to the financial statements

### 1 General Information

The Company provides foster placements and services for Local Authorities in the East and West Midlands. The Company is a private Company limited by shares incorporated in England. The address of its registered office is Frays Court, 71 Cowley Road, Uxbridge, Middlesex, UB8 2AE.

### 2 Statement of compliance

The individual financial statements of Jay Fostering Limited 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.

### 3 Summary of 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. The Company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 21.

#### *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 in note 4.

#### *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemptions.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent Company, SSCP Spring Topco Limited, includes the Company's cash flows in its own consolidated financial statements.

The Company has taken advantage of the exemption from disclosing a summary of its financial instruments on the basis that it is a qualifying entity and the financial instruments disclosures, included in the consolidated financial statements of SSCP Spring Topco Limited, include the Company's financial instruments.

The Company is a wholly owned subsidiary of NFAP Limited and of its ultimate parent SSCP Spring Topco Limited. It is included in the consolidated financial statements of SSCP Spring Topco Limited which are publicly available.

#### *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and rebates allowed by the Company and value added taxes. 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. Turnover invoiced in advance of the period to which it relates is included in deferred income.

## Notes to the financial statements *(continued)*

### 3 Summary of significant accounting policies *(continued)*

#### ***Exceptional items***

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as exceptional items. These are disclosed separately to provide further understanding of the financial performance of the Company.

#### ***Employee benefits***

The Company provides a range of benefits to employees, including annual non-contractual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Company operates a number of defined contribution plans for its employees. A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the balance sheet. The assets of the plans are held separately from the Company in independently administered funds.

#### ***Taxation***

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax legislation is open to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences which are differences between taxable profits and total income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured by using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### ***Tangible assets***

Tangible assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                                  |   |                                          |
|----------------------------------|---|------------------------------------------|
| Fixtures, fittings and equipment | - | 25% reducing balance basis               |
| Leasehold Buildings              | - | straight line over the life of the lease |

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### ***Leases***

None of the Company's leases transfer the risks and rewards of ownership to the Company and as such are all treated as operating leases. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Cash and cash equivalents***

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

## Notes to the financial statements *(continued)*

### 3 Summary of significant accounting policies *(continued)*

#### *Provisions and contingencies*

##### *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. Provision is not made for future operating losses.

##### *Contingencies*

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

##### *Share Capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

##### *Related party transactions*

The Company discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same group that are wholly owned.

### 4 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### *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 values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See note 10 for the carrying value of tangible assets and note 3 for the useful economic lives of each class of assets.

##### *Impairment of debtors*

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 nature of the charges to the debtor, the ageing profile of debtors and historical experience. See note 11 for the carrying value of the debtors and associated impairment provision.

## Notes to the financial statements *(continued)*

### 4 Critical accounting estimates and assumptions *(continued)*

#### *Provisions*

Provisions are made for dilapidations. This requires management's best estimate of the costs that will be incurred based on contractual requirements. See note 13 for the current dilapidations provision.

### 5 Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 6 Operating profit

|                                                   | Year ended<br>31 March 2016<br>£000 | Year ended<br>31 March 2015<br>£000 |
|---------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Operating profit is stated after charging:</b> |                                     |                                     |
| Wages and salaries                                | 682                                 | 702                                 |
| Social security costs                             | 68                                  | 65                                  |
| Other pension costs                               | 15                                  | 12                                  |
| <b>Total staff costs</b>                          | <b>765</b>                          | <b>779</b>                          |
| Depreciation of tangible assets                   | 36                                  | 20                                  |
| Rental of land and buildings – operating leases   | 45                                  | 42                                  |
| Operating lease charges                           | 4                                   | 4                                   |
| Exceptional item: intercompany loan waiver        | 900                                 | 900                                 |
| Audit fees payable to the Company's auditor       | -                                   | -                                   |

#### *Exceptional item:*

The Company has waived, by way of a written deed of release entered into between the Company and NFAP Limited its right to receive amounts lent to NFAP Limited.

#### *Audit fees:*

The audit fees for 2016 (£5,000) and 2015 (£4,800) were borne by Belton Associates Limited without recharge.

### 7 Employees and directors

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

|                | Number of<br>employees<br>2016 | Number of<br>employees<br>2015 |
|----------------|--------------------------------|--------------------------------|
| Directors      | -                              | -                              |
| Administration | 25                             | 25                             |
|                | <b>25</b>                      | <b>25</b>                      |

The Directors were employed and their remuneration costs borne by Belton Associates Limited, 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.

## Notes to the financial statements *(continued)*

### 8 Interest receivable and similar income

|                               | For the year<br>ended<br>31 March 2016<br>£000 | For the year<br>ended<br>31 March 2015<br>£000 |
|-------------------------------|------------------------------------------------|------------------------------------------------|
| Interest on intercompany loan | 337                                            | -                                              |
|                               | <hr/>                                          | <hr/>                                          |
|                               | 337                                            | -                                              |
|                               | <hr/>                                          | <hr/>                                          |

Interest was charged at 1 year LIBOR + 5% on the average intercompany loan balance in the year. This was a change in Group policy from previous years.

### 9 Tax on profit on ordinary activities

*Tax expense included in the profit and loss account*

|                                       | Year ended<br>31 March 2016<br>£000 | Year ended<br>31 March 2015<br>£000 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| <i>UK corporation tax</i>             |                                     |                                     |
| Current tax on income for the year    | -                                   | 3                                   |
| Adjustments in respect of prior years | -                                   | (123)                               |
|                                       | <hr/>                               | <hr/>                               |
|                                       | -                                   | (120)                               |
| <i>Deferred tax (see note 13)</i>     |                                     |                                     |
| Origination of timing differences     | (5)                                 | (2)                                 |
|                                       | <hr/>                               | <hr/>                               |
| Tax on profit on ordinary activities  | (5)                                 | (122)                               |
|                                       | <hr/>                               | <hr/>                               |

## Notes to the financial statements *(continued)*

### 9 Tax on profit on ordinary activities *(continued)*

The total tax charge for the year is lower (*2015: lower*) than the standard rate of corporation tax in the UK (20%, *2015: 21%*). The differences are explained below.

|                                                                     | Year ended<br>31 March 2016<br>£000 | Year ended<br>31 March 2015<br>£000 |
|---------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <i>Total tax reconciliation</i>                                     |                                     |                                     |
| Profit on ordinary activities before taxation                       | 882                                 | 837                                 |
|                                                                     | <hr/>                               | <hr/>                               |
| Current tax at 20% ( <i>2015: 21%</i> )                             | 176                                 | 176                                 |
| Effects of:                                                         |                                     |                                     |
| Expenditure not deductible for tax purposes                         | 180                                 | 196                                 |
| Losses surrendered from other group companies for nil consideration | (361)                               | (371)                               |
| Adjustments in respect of prior years                               | -                                   | (123)                               |
|                                                                     | <hr/>                               | <hr/>                               |
| Total tax credit                                                    | (5)                                 | (122)                               |
|                                                                     | <hr/>                               | <hr/>                               |

#### *Factors affecting current and future tax charges*

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These included reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

## Notes to the financial statements (*continued*)

### 10 Tangible assets

|                                 | Leasehold<br>buildings<br>£000 | Fixtures,<br>fittings and<br>equipment<br>£000 | Total<br>£000 |
|---------------------------------|--------------------------------|------------------------------------------------|---------------|
| <b>Cost</b>                     |                                |                                                |               |
| At beginning of year            | 3                              | 139                                            | 142           |
| Additions                       | 139                            | 5                                              | 144           |
| Disposals                       | (3)                            | (123)                                          | (126)         |
|                                 | <hr/>                          | <hr/>                                          | <hr/>         |
| At end of year                  | 139                            | 21                                             | 160           |
|                                 | <hr/>                          | <hr/>                                          | <hr/>         |
| <b>Accumulated Depreciation</b> |                                |                                                |               |
| At beginning of year            | -                              | 102                                            | 102           |
| Charge for year                 | 4                              | 32                                             | 36            |
| Disposals                       | (3)                            | (123)                                          | (126)         |
|                                 | <hr/>                          | <hr/>                                          | <hr/>         |
| At end of year                  | 1                              | 11                                             | 12            |
|                                 | <hr/>                          | <hr/>                                          | <hr/>         |
| <b>Net book value</b>           |                                |                                                |               |
| At 31 March 2016                | 138                            | 10                                             | 148           |
|                                 | <hr/>                          | <hr/>                                          | <hr/>         |
| At 31 March 2015                | 3                              | 37                                             | 40            |
|                                 | <hr/>                          | <hr/>                                          | <hr/>         |

### 11 Debtors

Amounts falling due within one year:

|                                    | 2016<br>£000 | 2015<br>£000 |
|------------------------------------|--------------|--------------|
| Trade debtors                      | 379          | 363          |
| Amounts owed by group undertakings | 5,399        | 4,446        |
| Prepayments and accrued income     | 67           | 38           |
| Deferred tax asset                 | 1            | -            |
| Other debtors                      | 4            | 4            |
|                                    | <hr/>        | <hr/>        |
|                                    | 5,850        | 4,851        |
|                                    | <hr/>        | <hr/>        |

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is charged at 1 year LIBOR + 5% on the average balance in the period.

Trade debtors are stated after provisions for impairment of nil (2015: £nil).

## Notes to the financial statements (continued)

### 12 Creditors: amounts falling due within one year

|                                    | 2016<br>£000 | 2015<br>£000 |
|------------------------------------|--------------|--------------|
| Trade creditors                    | 51           | 45           |
| Corporation tax                    | -            | 3            |
| Other creditors                    | 2            | 1            |
| Other taxation and social security | 19           | 19           |
| Accruals and deferred income       | 89           | 84           |
|                                    | <u>161</u>   | <u>152</u>   |

### 13 Provisions for liabilities

|                                                         | Dilapidations<br>£'000 | Deferred tax<br>provision<br>£'000 | Total<br>£'000 |
|---------------------------------------------------------|------------------------|------------------------------------|----------------|
| Provision at 1 April 2015                               | 35                     | 4                                  | 39             |
| Debit/ (credit) to profit and loss account for the year | <u>4</u>               | <u>(5)</u>                         | <u>(1)</u>     |
| Provision /(asset) at 31 March 2016                     | <u>39</u>              | <u>(1)</u>                         | <u>38</u>      |

#### *Dilapidations*

The Company has offices which operate from leased premises. Provisions are made for dilapidations and this requires management's best estimate of the costs that will be incurred based on contractual requirements. The provision is expected to be released in 2021 when the lease is due to be terminated.

#### *Deferred Tax*

The deferred taxation arose as a result of the difference between accumulated depreciation and capital allowances. There are no unused tax losses or unused tax credits. The deferred tax asset is expected to reverse in 2019.

### 14 Called up share capital

|                                                  | 2016<br>£     | 2015<br>£     |
|--------------------------------------------------|---------------|---------------|
| <b>Authorised</b>                                |               |               |
| 20,000 (2015: 20,000) Ordinary shares of £1 each | <u>20,000</u> | <u>20,000</u> |
| <b>Allotted, called up and fully paid</b>        |               |               |
| 100 (2015: 100) Ordinary shares of £1 each       | <u>100</u>    | <u>100</u>    |

## Notes to the financial statements *(continued)*

### 15 Profit and loss account

|                               | <b>Profit<br/>and loss<br/>account<br/>£000</b> |
|-------------------------------|-------------------------------------------------|
| At beginning of year          | 5,561                                           |
| Profit for the financial year | 887                                             |
|                               | <hr/>                                           |
| <b>At end of year</b>         | <b>6,448</b>                                    |
|                               | <hr/> <hr/>                                     |

### 16 Reconciliation of movements in shareholders' funds

|                                     | <b>2016<br/>£000</b> | <b>2015<br/>£000</b> |
|-------------------------------------|----------------------|----------------------|
| Profit for the financial year       | 887                  | 951                  |
|                                     | <hr/>                | <hr/>                |
| Net addition to shareholders' funds | 887                  | 951                  |
| Opening shareholders' funds         | 5,561                | 4,610                |
|                                     | <hr/>                | <hr/>                |
| Closing shareholders' funds         | 6,448                | 5,561                |
|                                     | <hr/> <hr/>          | <hr/> <hr/>          |

### 17 Contingent Liability

The Company is party to a debenture to guarantee the loans of all Group companies. The amounts outstanding at the year-end for the full Group were:

|                   | <b>2016<br/>£'000</b> | <b>2015<br/>£'000</b> |
|-------------------|-----------------------|-----------------------|
| Bank loan         | 137,350               | 72,466                |
| Loan stock        | 71,905                | 43,915                |
| Mezzanine finance | -                     | 10,000                |
|                   | <hr/>                 | <hr/>                 |
|                   | <b><u>209,255</u></b> | <b><u>126,381</u></b> |

The company does not anticipate any liability will arise in respect of the above.

## Notes to the financial statements *(continued)*

### 18 Commitments under operating leases

The Company had the following total minimum lease payments under non-cancellable operating leases for each of the following periods:

|                                | 2016                  | 2016  | 2016  | 2015  |
|--------------------------------|-----------------------|-------|-------|-------|
|                                | Land and<br>buildings | Other | Total | Total |
|                                | £000                  | £000  | £000  | £000  |
| Operating leases which expire: |                       |       |       |       |
| Within one year                | 53                    | 16    | 69    | 46    |
| Between two and five years     | 201                   | 34    | 235   | -     |
|                                | <hr/>                 | <hr/> | <hr/> | <hr/> |
|                                | 254                   | 50    | 304   | 46    |
|                                | <hr/>                 | <hr/> | <hr/> | <hr/> |

The Company had no other off balance sheet arrangements.

### 19 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.

### 20 Controlling Party

The Company is a wholly owned subsidiary of NFAP Limited and of its ultimate parent SSCP Spring Topco Limited, both of which are incorporated in England and Wales and registered in Great Britain. SSCP Spring Holdings SCA, a company incorporated in Luxembourg, owns 78.6% 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, the consolidated financial statements of which are publicly available from Frays Court, 71 Cowley Road, Uxbridge, Middlesex, UB8 2AE

### 21 Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

|                                                   |             |
|---------------------------------------------------|-------------|
| <b>Profit for the financial year</b>              | <b>2015</b> |
|                                                   | <b>£000</b> |
| <b>UK GAAP – As previously reported</b>           | <b>959</b>  |
| Holiday Pay accrual                               | -           |
| Total adjustment to profit for the financial year | -           |
| <b>FRS 102</b>                                    | <b>959</b>  |

## Notes to the financial statements *(continued)*

### 22 Transition to FRS 102 (continued)

| Total equity                     | 1 April 2014<br>£000 | 31 March 2015<br>£000 |
|----------------------------------|----------------------|-----------------------|
| UK GAAP – As previously reported | 4,610                | 5,569                 |
| Holiday Pay accrual              | (8)                  | (8)                   |
|                                  | <hr/>                | <hr/>                 |
| <b>FRS 102</b>                   | <b>4,602</b>         | <b>5,561</b>          |
|                                  | <hr/> <hr/>          | <hr/> <hr/>           |

#### *Holiday Pay Accrual*

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the Company recognising a liability for holiday pay of £8,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. the liability at 31 March 2015 was £8,000. Deferred tax on the holiday pay accrual has not been accounted for as the directors do not consider it to be material.