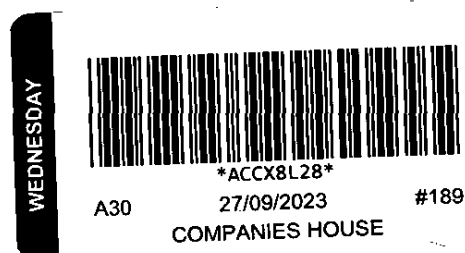


Nutrius UK BIDCO Limited
Consolidated annual report and financial statements
For the year ended 31 December 2022

Registered number: 11598953



Nutrius UK BIDCO Limited

Annual report and financial statements for the year ended 31 December 2022

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Nutrius UK BIDCO Limited

Company Information

Directors

P Briant
O Khelladi
J Clark

Registered office

Malvern View
Saxon Business Park
Hanbury Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AD

Independent auditors

KPMG LLP
Chartered Accountants and Statutory Auditors
One Snowhill, Snow Hill Queensway
Birmingham
B4 6GH

Solicitors

Harrison Clark (Worcester) LLP
5 Deansway
Worcester
Worcestershire
WR1 2JG

Bankers

Barclays Bank PLC
Worcester Branch
54 High Street
Worcestershire
WR1 2QQ

Nutrius UK BIDCO Limited

Strategic report for the year ended 31 December 2022

The directors present their Strategic report for the Group for the year ended 31 December 2022.

Principal activities

The Group, branded as Polaris, is one of the UK's leading children's services providers who have been passionately improving the lives of young people for over 30 years. Polaris provides an extensive range of children's services which have grown and developed over time by combining our community's wide scale of services together with our local networks.

Our nurturing community works collectively to support the very best outcomes for each child in our care. We're ambitious for our children and young people, families and staff, and believe in all their futures. We are delighted that all of our regulated services are rated as Good or Outstanding.

The principal activity of the company is to act as a holding company for the Group.

Business review

The Polaris community comprises independent fostering and adoption agencies, residential children's homes, schools, leaving care services and the delivery of bespoke children's services contracts. This has enabled our community to combine best practice across all companies and deliver on our key ambition of achieving the very best outcomes for each and every child in our care.

This is evidenced with 92% of all 16 to 18 year old young people in our care being in employment, education, or training 'EET'. This exceeds the similar percentage for all 16 – 18 year olds in England.

In total, Polaris has 69 externally registered services. Polaris places great importance on the quality of the services it provides and we are delighted that 25% of all registrations have been rated as Outstanding (or equivalent), and the remainder rated as Good.

The acquisitions of Bramley Care Limited, Bay View Child Care Holdings Limited and its subsidiaries during 2022 have increased and complemented our service offerings.

The Group operates an independent Quality Board to scrutinise practice and ensure that operations are continuing to deliver excellent quality. In addition, to ensure that quality is embedded across the Company a central Quality Assurance team performs a thorough service review of each registration on a yearly basis, examining operations, regulatory compliance and child safeguarding.

To further enhance the quality of our services an Advisory Committee has been established to provide independent feedback, advice and guidance directly to the Board. The members of the Advisory Committee are foster parents, young people and social workers and was created so that their views directly influence policy, promote quality and innovation.

The trading results for the period and the group and company's financial position at 31 December 2022 are shown in the attached financial statements.

Nutrius UK BIDCO Limited

Strategic report for the year ended 31 December 2022 (Continued)

Future developments

The Group will focus on delivering its key objectives: to deliver the best outcomes for the children and young people in our care; to be the best place to work for our staff and foster parents; to lead the sector in terms of quality; and to develop through innovation.

The Group will continue to invest in the recruitment, training and retention of foster parents and social workers. This will enable the company to continue to provide best-in-class fostering services, delivering exceptional outcomes to children and young people, and working in close co-operation with local authority partners.

The company is making a firm commitment to Social Value in a number of ways, notably through the launch of a comprehensive Social Value and ESG (Environmental Social Governance) framework built on three key components;

1. Theory of Change Model; demonstrating Social Impact resulting from our service delivery. The impacts link to key social and political indicators and to a number of UN Sustainable Development Goals;
2. ESG Core Metrics; monitoring and reporting on business performance measures in areas such as greenhouse gas emissions, gender pay gap, supply chain accountability and business accreditations;
3. Social Value Accreditation; seeking Level 1 Social Value Award across the whole of the community, setting internal pledges to engage and involve staff and stakeholders alongside monitoring of associated Key Value Indicators (KVIs) around our 5 themes of Leadership, Wellbeing, Diversity, Personal Development, Environment and Economy.

The Group will also seek to invest in the development of its Residential and Education services.

Key performance indicators

The Group uses a range of key performance indicators (KPIs) to measure the effectiveness of operational and financial performance. The KPIs focus on the quality of provision to ensure that placements are successful and positive outcomes are achieved, as well as financial performance. These KPIs are monitored on a weekly and monthly basis.

The Company is an indirect subsidiary of Nutrius UK TOPCO Limited. The development, performance and position of Nutrius UK TOPCO Limited are discussed in the group's annual report which does not form part of this report.

Statement by the Directors on performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of Nutrius UK BIDCO Limited have acted in a way they consider most likely to promote the success of the group for the benefit of young people it provides services to, support to foster parents, and members as a whole for the year ending 31 December 2022.

(i) *The likely consequences of any decision in the long term*

The Group places great importance on the quality of the services it provides and as such the decisions we take seek to ensure the long term success of the business. Decisions are taken with reference to our long term strategic plan, and in consideration of our desire to achieve the very best outcomes for the young people we support.

(ii) *The interest of the group's employees*

Our employees, including our community of dedicated foster parents, are fundamental to our vision of providing the very best outcomes for all young people we support. The Group culture focuses on creating an environment where our people are engaged, fulfil their potential as well as the young people they support. The Group regularly engages with employees and foster parents, through annual surveys, forums, and a digital communication tool that facilitates the sharing of best practice across the Group.

Nutrius UK BIDCO Limited

Strategic report for the year ended 31 December 2022 (Continued)

Statement by the Directors on performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

(iii) *The need to foster the group's business relationships with suppliers, customers and others*

The Group has been accredited against ISO 9001:2015 since May 2018. This confirms that the organisation's operations and processes adhere to an internationally recognised level of quality for the management of its business.

The Group has implemented Safer Procurement Procedures that outline how suppliers are identified, selected, contracted, and monitored. This ensures that suppliers at different levels of risk are managed appropriately and that safeguards are put in place to ensure they meet our minimum standards of Quality, Ethics, Cost and Performance.

The Group has a dedicated Contract and Partnerships team, who identify customer needs, respond to customer tenders and commissioners to ensure that our services exceed expectation. Our contracts are monitored with our customers regularly, with performance data and key performance indicators to ensure that our services meet contractual requirements.

(iv) *The impact of the group's operations on the community and the environment*

The Company has a commitment to measure the positive impact it has on the community and environment through the launch of a comprehensive Social Value and ESG framework.

We have implemented a number of social value pledges, including environmental and community objectives, which set our commitment to be a 'values driven' organisation and provide a focus to increase our social value. All Staff, foster parents and young people have been involved and helped to identify areas of focus.

(v) *The desirability of the group maintaining a reputation for high standards of business conduct,*

The provision of children's care services are highly regulated and the Group places great importance on regulatory compliance and external inspection results. The Group has over 30 years' experience of managing social care risks which has enabled the development of robust policies, procedures and systems. This has reinforced the quality of our service and ensured excellent regulatory inspection results (all agencies rated as the equivalent of Outstanding or Good, see Operational Risk Management for further details regarding Quality Assurance and internal service reviews).

(vi) *The need to act fairly as between members of the group.*

The relationship between the Group and its members is primarily guided by a Shareholder Agreement. The limited number of members also enables each to be represented on the Board of Directors.

Nutrius UK BIDCO Limited

Strategic report for the year ended 31 December 2022 (Continued)

Risk Management

Operational risk management

The Group has over 30 years' experience of managing social care risks which has enabled the development of robust policies, procedures and systems. This has reinforced the quality of our service and ensured excellent inspection results (all agencies rated as the equivalent of Outstanding or Good).

The regulations in the UK are governed by Ofsted in England, the Care Inspectorate Wales in Wales, and the Care Inspectorate in Scotland. All policies and procedures are continually reviewed to ensure compliance with country specific regulations as well as providing the highest level of care.

The Group operates an independently chaired Quality Board that scrutinises practice and provides assurance to the Group Board that operations are delivering outstanding quality and any identified risks are being robustly managed. In addition, the Group has a centrally managed Quality Assurance and Safeguarding Team, as well as Quality Assurance and Safeguarding Managers working within each Group entity. This approach enables both central oversight and local input to maintain and improve quality across all operations.

Each registration is subject to a central internal service review where operations are scrutinised, with key focus on safeguarding and child protection; outcomes for children; regulatory compliance and inspection results; service provision; data protection; customer service; financial management; and employee related matters.

The Group operates its policies and procedures in line with the new Data Protection Act 2018.

Financial risk management

The Group's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, cash flow and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of income, expenditure and liquidity.

Price risk

The Group is responsive to the needs of its customers, working in partnership with them to ensure that services provided deliver exceptional placement outcomes and are value for money. This supports customers in working within their financial budget whilst receiving a high quality service.

Credit risk

Almost all of the Group's customers are local authorities and as such this risk is considered to be relatively low.

Liquidity risk

The Group is able to utilise borrowing facilities to maintain liquidity and consequently this risk is considered to be relatively low. The level of the Group's borrowing facilities are actively reviewed by management.

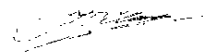
Cash flow and interest rate risk

The Group prepares monthly cash flow projections monitoring funds available in order to manage this exposure.

Nutrius UK BIDCO Limited

Strategic report for the year ended 31 December 2022 (Continued)

This report was approved by order of the Board on the 28 April 2023 and signed on its behalf by:



J Clark
Director
28 April 2023

Nutrius UK BIDCO Limited

Directors' report for the year ended 31 December 2022

The directors present their Directors' report and audited consolidated financial statements of the Group and the Company for the year ended 31 December 2022.

During the period Nutrius UK BIDCO Limited acquired the entire share capital of Bramley Care Limited (1 April), Bay View Child Care Holdings Limited and its subsidiaries (29 April). The acquisition strengthens and complements our existing service offering.

Certain entities within Nutrius UK BIDCO Limited have this year taken the BIS exemptions under section 479A of the Companies Act 2006, and as such do not require a signed statutory audit opinion. One of the criteria required to enable these exemptions to be taken is that the parent company must provide a cross-guarantee to those entities. This guarantee is provided by the company Nutrius UK BIDCO Limited and is disclosed as a contingent liability (note 26).

Results

The Group profit and loss account is set out on page 14. The Group's profit for the financial year ended 31 December 2022 is £5,817,000 (2021: £3,079,000).

The profit of £5,817,000 been transferred to reserves (see Group statement of Changes in Equity).

Going Concern

The Directors have assessed the future funding requirements of the Group and Company through the consideration of financial forecasts, which show that whilst taken into account through financial modelling of severe but plausible downsides, the Group and Company can generate sufficient cash, taking into consideration the possibility of future changes in trading performance.

The Group manages its liquidity needs through a combination of working capital and long term senior debt facilities, the latter of which includes certain quarterly covenant tests. The Group monitors its debt servicing payments and prepares cashflow forecasts that are reviewed daily and weekly against business performance.

Board approved forecasts indicate that the Group has adequate resources and covenant headroom to meet its liabilities as they fall due for the foreseeable future.

Management have considered plausible downsides and do not consider there to be any significant impact on the going concern of the company.

Based on the above the Directors consider it appropriate to adopt the going concern basis in preparing its consolidated financial statements.

Directors

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

O Khelladi
P Briant
J Clark

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Nutrius UK BIDCO Limited

Directors' report for the year ended 31 December 2022 (continued)

Employee involvement

The Group's policy is to consult and discuss with employees, through employee forums and at meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

The Group actively encourages employee, foster parent and young people involvement in Group wide events which include the Polaris Choir 'Big Sing Off', foster parent events and young people activities.

Future developments

The future developments of the company are discussed within the Strategic report.

Financial Risk Management

The company's approach to financial risk management is discussed within the Strategic report.

Disabled persons

The Group's policy is to recruit disabled employees for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Dividends

The directors have not recommended a dividend. No dividends were paid in 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company 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 they have elected to prepare the Group and parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

Nutrius UK BIDCO Limited

Directors' report for the year ended 31 December 2022 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS (CONTINUED)

- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities

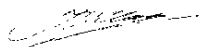
Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the group and 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 group and company's auditors are aware of that information.

A resolution to reappoint KPMG LLP (UK) as independent auditors to the company will be proposed at the Annual General Meeting.

This report was approved by order of the Board on the 28 April 2023 and signed on its behalf by:



J Clark
Director
28 April 2023

Nutrius UK BIDCO Limited

Independent auditors' report to the members of Nutrius UK BIDCO Limited

Opinion

We have audited the financial statements of Nutrius UK BIDCO Limited ("the Group and Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account, Balance Sheet, Cashflow Statement and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease its operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

Nutrius UK BIDCO Limited

Independent auditors' report to the members of Nutrius UK BIDCO Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is overstated at the period end and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Sample testing of sales relating to the period prior to 31 December 2022 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, employment law, regulatory oversight by Ofsted, Care Inspectorate Scotland and Care Inspectorate Wales and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Nutrius UK BIDCO Limited

Independent auditors' report to the members of Nutrius UK BIDCO Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 8 and 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

Nutrius UK BIDCO Limited

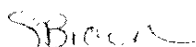
Independent auditors' report to the members of Nutrius UK BIDCO Limited (continued)

Auditor's responsibilities (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Sarah Brown (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

29 April 2023

Nutrius UK BIDCO Limited

Group profit and loss account for the year ended 31 December 2022

		Year ended 31 Dec 2022	Year ended 31 Dec 2021
		Total	Total
	Note	£'000	£'000
Turnover	2	201,832	184,445
Cost of sales		(128,056)	(120,246)
Gross profit		73,776	64,199
Administrative expenses		(54,415)	(46,507)
Operating profit	5	19,361	17,692
Interest payable and similar expenses	6	(10,489)	(8,672)
Interest receivable and similar Income	7	3,760	-
Profit before taxation		12,632	9,020
Tax on profit	8	(6,815)	(5,941)
Profit for the financial period		5,817	3,079

Group statement of comprehensive income for the year ended 31 December 2022

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	Total	Total
	£'000	£'000
Profit / (loss) for the financial period	5,817	3,079
Total comprehensive income for the period	5,817	3,079

Nutrius UK BIDCO Limited

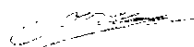
Group and Company balance sheets as at 31 December 2022

		Group Year ended 31 Dec 2022	Company Year ended 31 Dec 2022	Group Year ended 31 Dec 2021	Company Year ended 31 Dec 2021
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	155,449	8	149,167	-
Tangible assets	10	21,177	-	10,109	-
Investments	11	-	186,286	-	155,694
		176,626	186,294	159,276	155,694
Current assets					
Debtors: amounts falling due within one year	12	24,528	67,445	14,525	51,080
Debtors: amounts falling due after more than one year	13	-	-	-	29,551
Cash at bank and in hand		30,344	309	46,912	45
		54,872	67,754	61,437	80,676
Creditors: amounts falling due within one year	14	(17,873)	(70,424)	(16,454)	(52,464)
Net current assets/(liabilities)		36,999	(2,670)	44,983	28,212
Total assets less current liabilities					
		213,625	183,624	204,259	183,906
Creditors: amounts falling due after more than one year	15	(149,891)	(149,891)	(148,679)	(148,679)
Provisions for liabilities	16	(3,492)	(917)	(1,155)	-
Net assets		60,242	32,816	54,425	35,227
Capital and reserves					
Called up share capital	23	52,998	52,998	52,998	52,998
Profit and loss account		7,244	(20,182)	1,427	(17,771)
Total shareholders' funds		60,242	32,816	54,425	35,227

The loss for the Company for the year was £2,411,000 (2021: loss £5,538,000).

The notes on pages 20 to 45 are an integral part of these financial statements.

The financial statements on pages 14 to 45 were approved by the board of directors on the 28 April 2023 and were signed on its behalf by:



J Clark
Director
28 April 2023
Registered number: 11598953

Nutrius UK BIDCO Limited

Group statement of changes in equity for the year ended 31 December 2022

	Called Up Share Capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 31 December 2020 and 1 January 2021	52,998	(1,652)	51,346
Profit for the financial period	-	3,079	3,079
<i>Total comprehensive income for the period</i>	-	3,079	3,079
Balance as at 31 December 2021	52,998	1,427	54,425
Profit for the financial year	-	5,817	5,817
<i>Total comprehensive income for the year</i>	-	5,817	5,817
Balance as at 31 December 2022	52,998	7,244	60,242

Nutrius UK BIDCO Limited

Company statement of changes in equity for the year ended 31 December 2022

	Called up share capital £'000	Profit and Loss Account £'000	Total shareholders' funds £'000
Balance as at 31 December 2020 and 1 January 2021	52,998	(12,233)	40,765
Loss for the financial period	-	(5,538)	(5,538)
<i>Total comprehensive loss for the period</i>	-	(5,538)	(5,538)
Balance as at 31 December 2021	52,998	(17,771)	35,227
Loss for the financial year	-	(2,411)	(2,411)
<i>Total comprehensive loss for the year</i>	-	(2,411)	(2,411)
Balance as at 31 December 2022	52,998	(20,182)	32,816

Nutrius UK BIDCO Limited

Group cash flow statement for the year ended 31 December 2022

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£'000	£'000
Net cash inflow from operating activities	41,513	37,276
Corporation taxation paid	(8,346)	(5,706)
Net cash generated from operating activities	33,167	31,570
Cash flow from investing activities		
Interest received	94	-
Purchase of tangible fixed assets	(6,815)	(4,458)
Purchase of intangible fixed assets	(430)	(64)
Acquisition of subsidiary undertaking	(30,056)	(15,831)
Net cash acquired with subsidiary undertaking	332	2,283
Proceeds from disposal of tangible assets	-	-
Net cash used in investing activities	(36,875)	(18,070)
Cash flow from financing activities		
Interest paid	(10,687)	(7,583)
Loan repayments	(2,173)	(3,481)
Repayments of mortgages	-	(699)
New loan facilities	-	-
Fees associated to new banking facilities	-	-
Share capital investment	-	-
Net cash (outflow)/generated from financing activities	(12,860)	(11,763)
Net increase in cash and cash equivalents	(16,568)	1,737
Cash and cash equivalents at the beginning of the year	46,912	45,175
Cash and cash equivalents at the end of the year	30,344	46,912
Cash and cash equivalents consists of:		
Cash at bank and in hand	30,344	46,912

Nutrius UK BIDCO Limited

Group cash flow statement for the year ended 31 December 2022 (continued)

Reconciliation of operating profit to net cash inflow from operating activities for the period ended 31 December 2022

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£'000	£'000
Operating profit	19,361	17,692
Depreciation	1,192	837
Amortisation of goodwill	22,751	20,339
Amortisation of patents and trademarks	15	15
Amortisation of software	-	3
(Increase)/Decrease in debtors	(3,357)	1,385
Increase/(Decrease) in creditors	1,690	(2,814)
(Decrease) in provisions	(139)	(184)
Loss on disposal of tangible fixed assets	-	3
Net cash inflow from operating activities	41,513	37,276

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies

General Information

Nutrius UK BIDCO Limited is a private company limited by shares and incorporated in the United Kingdom (England and Wales). The address of its registered office is Malvern View, Hanbury Road, Saxon Business Park, Stoke Prior, Bromsgrove, Worcestershire, B60 4AD.

Statement of compliance and basis of preparation

This first set of financial statements have been drawn up on a going concern basis under the historical cost convention, and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 and the Companies Act 2006.

The principal activity of the company is to act as a holding company for the Group. The group holds some of the UK's leading independent fostering and adoption agencies.

The financial statements have been prepared to 31 December 2022. The Subsidiaries consolidated into these financial statements have prepared their financial statements to 31 December 2022, which is within seven days of their accounting reference date of 30 December 2022.

Going Concern

The Directors have assessed the future funding requirements of the Group and Company through the consideration of financial forecasts, which show that whilst taken into account through financial modelling of severe but plausible downsides, the Group and Company can generate sufficient cash, taking into consideration the possibility of future changes in trading performance.

The Group manages its liquidity needs through a combination of working capital and long term senior debt facilities, the latter of which includes certain quarterly covenant tests. The Group monitors its debt servicing payments and prepares cashflow forecasts that are reviewed daily and weekly against business performance.

Board approved forecasts indicate that the Group and company has adequate resources and covenant headroom to meet its liabilities as they fall due for the foreseeable future.

Based on the above the Directors consider it appropriate to adopt the going concern basis in preparing its consolidated financial statements.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2022.

No profit and loss is presented for the Company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £2,411,000 (2021: £5,538,000).

Exemptions for qualifying entities under FRS 102

FRS 102 allows qualifying entities certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cashflows, on the basis that it is a qualifying entity, and the consolidated statement of cashflows, included in these financial statements, includes the company's cashflows.
- (ii) from the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as the information is provided in the consolidated financial statement disclosures.

Nutrius UK BIDCO Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Turnover

Turnover represents amounts receivable for services based on specific contractual rates agreed with customers. All turnover relates to one class of business, and substantially all within the UK. Amounts received in advance of services provided are included within deferred income. Amounts received after provision of services and unbilled are included within accrued income.

Turnover is recognised at the point at which services are provided.

Short-term employee benefits

The Group operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions payable for the year are charged in the profit and loss account (note 22).

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.

Foreign currencies

The group financial statements are presented in pound sterling and rounded to thousands.

The company's functional and presentation currency is pound sterling.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. All foreign exchange differences have been taken to the profit and loss account in the year.

Business combinations and goodwill

Goodwill represents the excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired. The cost of acquisition is the amount of cash paid and the fair value of other purchase consideration, together with expenses of the acquisition. The fair value of identifiable net assets acquired includes all assets and liabilities and represents rights to future economic benefits, including contingent rights and obligations of the acquired entity that were in existence at the date of acquisition.

Contingent consideration is initially recognised as an estimate amount where the consideration is probable and can be measured reliably. Where contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

Goodwill is written off over its useful economic life, on a straight line basis. Further details of the useful economic lives assigned are provided in note 9.

The Group evaluates the carrying value of goodwill if the directors consider that there has been an impairment trigger during the year to determine if there has been impairment in value, which would result in an inability to recover the carrying amount. When the carrying amount exceeds recoverable amount, the excess is written off to the profit and loss account.

Patents and trademarks

Patents and trademarks are stated at historic purchase cost less accumulated amortisation. The cost of patents and trademarks is their purchase cost, together with any incidental costs of acquisition.

Amortisation of patents and trademarks is calculated at annual rates estimated to write off the cost of each asset, less its residual value, on a straight line basis over the term of its estimated useful life, which the directors estimate to be 20 years.

Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Software

Software is stated at historic cost less accumulated amortisation. The cost of software is their purchase cost, together with any incidental costs of acquisition

Amortisation of software is calculated at annual rates estimated to write off the cost of each asset, less its estimated residual value, over the term of its estimated useful life. The rates adopted for Software is straight line over 4 years.

Amortisation of software licenses is calculated at annual rates estimated to write off the cost of each asset, less its estimated residual value, over the term of its estimated useful life. The rates adopted for Software licenses is straight line over 3 years.

Assets under course of construction are not being amortised.

Investments

Investments are stated at cost after allowances for any impairment in accordance with Financial Reporting Standard 102.

Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Borrowing costs

Finance charges, including debt issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method in accordance with Financial Reporting Standard 102.

Finance charges and professional fees incurred in respect of the issuance of new debt are netted off debt in the balance sheet and are amortised to finance costs in the profit and loss account over the term of the debt instrument using a constant periodic rate of charge.

Provisions

Provisions are recognised when the company has a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Dilapidation Provision

Provision is made for known contractual and constructive obligations arising from leased properties and is based upon the directors' best estimates as to the likely outcome, using external professional advice where appropriate.

Tangible fixed assets and depreciation

Unless stated below tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation of fixed assets is calculated at annual rates estimated to write off the cost of each asset, less its estimated residual value, over the term of its estimated useful life.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

The rates generally adopted are as follows:

Freehold Property	- straight line over fifty years
Leasehold improvements	- straight line over the shorter of the remaining term of the lease or ten years
Fixtures and fittings	- straight line over four years
IT equipment	- straight line over four years
Motor vehicles	- straight line over three years
Assets under course of construction are not being depreciated.	

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and their carrying amount is recognised as the profit or loss.

Taxation

Current Tax

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Hire purchase and operating leases

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight line basis over the period of the lease.

The group has taken advantage of the exemption in respect of lease incentives on leases in existence at the transition date to FRS 102 (1st January 2014) and continues to credit such lease incentives to the profit and loss account over the period to first review date on which the rent is adjusted to market rates.

Financial instruments

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

Financial Assets

Basic financial assets include trade and other receivables and cash at bank balances and are recognised at transaction price.

Financial assets are derecognised when the contractual rights to the cash flows expires or are settled.

Financial Liabilities

Basic financial liabilities include trade and other payables and bank loans and are initially recognised at transaction price.

Trade payables are obligations to pay for good or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities.

Other Financial Instruments

Financial Instruments not considered to be Basic Financial Instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

Derivative financial instruments and hedging

Derivatives are initially held are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangements.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with the banks.

Share Capital

Ordinary shares are classed as equity.

Dividends

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Critical Judgements and Estimates

Dilapidation Provision

Provisions represent directors' best estimate of the costs that will be incurred as a result of legislative and contractual requirements, using external advice where required.

Useful Economic Life of Goodwill

The goodwill arising on consolidation is amortised on a straight line basis over 10. This represents the directors' best estimate of the useful economic life of this asset.

2 Turnover

Turnover represents amounts receivable for services based on specific contractual rates agreed with customers. All turnover relates to one class of business, and is substantially all in the United Kingdom. Amounts received in advance of services provided are included within deferred income. Amounts received after provision of services are included within accrued income.

Turnover is recognised at the point at which services are provided.
Interest income is recognised using the effective interest rate method.

3 Staff costs

a. The total costs for the period relating to employees' remuneration (including executive directors) are as follows:

	Group	Company	Group	Company
	Year ended Dec 2022	Year ended Dec 2022	Year ended Dec 2021	Year ended Dec 2021
	£'000	£'000	£'000	£'000
Wages and salaries	42,641	148	37,494	243
Social security costs	4,417	24	3,741	33
Other pension costs (note 22)	1,807	5	1,584	8
	48,865	177	42,819	284

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

3 Staff costs (continued)

b. The average monthly number of employees (including executive directors) employed by the Group and company during the year of trading was as follows:

	Group	Company	Group	Company
	Year ended Dec 2022	Year ended Dec 2022	Year ended Dec 2021	Year ended Dec 2021
By activity	Number	Number	Number	Number
Administration including directors	386	2	401	3
Support and other workers	1,020	-	966	-
	1,406	2	1,367	3

Key Management Personnel

Key management personnel includes directors of other group subsidiaries, remunerated by those subsidiaries during the period. Details of this remuneration are shown below.

	Year ended Dec 2022	Year ended Dec 2021
Group	£'000	£'000
Aggregate emoluments	780	742
Pension contributions to money purchase schemes	34	33
	814	775

4 Directors' emoluments

The directors of the company did not receive any emoluments in respect of their services to the company.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Operating profit

The group operating profit is stated after charging/crediting):

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Operating leases	4,059	3,183
Depreciation – owned tangible fixed assets	1,192	837
Impairment of freehold properties	-	-
Goodwill amortisation	22,751	20,339
Amortisation of patents and trademarks	15	15
Amortisation of software	-	3
Impairment of Trade receivables	231	(75)
Profit on disposal of tangible fixed assets	-	(3)
Foreign exchange (gain)/loss	2	3
Fees payable to Company's auditors;		
Fees payable to Company's auditors for the audit of parent company and consolidated financial statements	73	45
Fees payable to Company's auditors for other services;		
Audit of company's subsidiaries	106	89
Audit related assurance services	9	8
Tax advisory services	25	-
Other corporate advisory services	65	-

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Interest payable and similar expenses

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£'000	£'000
Interest on bank loans and overdrafts	9,278	7,461
Amortisation of debt issue costs	1,211	1,211
	10,489	8,672

7 Interest receivable and similar income

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£'000	£'000
Interest on bank deposits	94	-
Fair Value of Interest Rate Cap (See note 19)	3,666	-
	3,760	-

8 Tax on profit

(a) Analysis of tax charge in the year included in the profit or loss

The tax charge on the profit before taxation was as follows:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£'000	£'000
Current tax		
Corporation tax	6,293	5,794
Adjustment in respect of previous periods	(291)	210
Total current tax charge	6,002	6,004
Deferred tax		
Origination and reversal of timing differences	615	58
Adjustment in respect of previous periods	(6)	(35)
Changes in tax rates or laws	204	(86)
Total deferred tax (note 21)	813	(63)
Total Tax on profit	6,815	5,941

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Tax on profit (continued)

(b) Reconciliation of tax charge

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Profit/ (loss) before taxation	12,632	9,020
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020:19%).	2,400	1,714
Effects of:		
Expenses not deductible for tax purposes	4,519	4,237
Income not taxable	-	(87)
Deferred tax not provided	(2)	(6)
Transfer pricing adjustments	(9)	(6)
Adjustments in respect of previous years	(297)	175
Deferred Tax adjustments in respect of changes in rates	204	(85)
Total tax charge for the year	6,815	5,941

A change to the UK corporation tax rate was substantively enacted as part of Finance Bill 2021 in May 2021. The headline rate of corporation tax will increase from 19% to 25% from 1 April 2023. The rate for small businesses (with profits under £50,000) will remain at 19% and marginal relief for businesses with profits under £250,000 will be introduced so that they pay less than the main rate.

The deferred tax assets and liabilities in these financial statements have been calculated based on these assets and liabilities reversing at 25% (2021: 25%), apart from that relating to pensions which will reverse within 12 months and have therefore been recognised at a blended deferred tax rate of 23.5%.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Intangible assets

Group	Goodwill	Patents and trademarks	Licenses	Software	AUCC	Total
	£'000	£'000	£'000	£'000	£,000	£'000
Cost						
At 31 December 2021	208,522	192	52	204	53	209,023
Additions	28,618	13	-	-	417	29,048
At 31 December 2022	237,140	205	52	204	470	238,071
Accumulated Amortisation						
At 31 December 2021	59,553	47	52	204	-	59,856
Charge for the year	22,751	15	-	-	-	22,766
Disposal	-	-	-	-	-	-
At 31 December 2022	82,304	62	52	204	-	82,622
Net book value						
At 31 December 2021	148,969	145	-	-	53	149,167
At 31 December 2022	154,836	143	-	-	470	155,449

The goodwill arising on consolidation is amortised on a straight line basis over 10 years. This represents the directors' best estimate of the useful economic life of this asset.

On 1 April 2022 Nutrius UK BIDCO Limited acquired the entire share capital of Bramley Care Limited and on 29 April 2022 acquired the entire share capital of Bay View Child Care Holdings Limited and its subsidiaries. All acquisitions have been accounted for using acquisition accounting.

A summary of the consideration, assets acquired and resulting goodwill for acquisitions in the period can be seen in note 11.

The company has intangible assets of £8,000 (2021: Nil).

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Tangible assets	Freehold property	Leasehold improvements	Fixture & fittings	IT Equipment	Motor vehicles	Plant & machinery	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 31 December 2021	9,007	811	540	1,481	97	-	11,936
Additions	4,855	1,112	142	653	52	1	6,815
Acquisitions through business combinations	5,367	9	17	-	46	6	5,445
Prior period correction	-	-	1	-	-	(1)	-
Disposal	-	-	-	-	(2)	-	(2)
At 31 December 2022	19,229	1,932	700	2,134	193	6	24,194
Accumulated depreciation							
At 31 December 2021	159	429	374	823	42	-	1,827
Charge for the year	318	233	129	441	65	6	1,192
Disposal	-	-	-	-	(2)	-	(2)
At 31 December 2022	477	662	503	1,264	105	6	3,017
Net book Value							
At 31 December 2021	8,848	382	166	658	55	-	10,109
At 31 December 2022	18,752	1,270	197	870	88	-	21,177

The company does not have any tangible assets.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Investments

Company

The investments at the balance sheet date in the share capital of companies are:

	Investments in subsidiary undertakings
Cost and net book value	£'000
At 31 December 2021	155,694
Additions	30,592
At 31 December 2022	186,286

During the year Nutrius UK BIDCO Limited acquired the entire share capital of Bramley Care Limited, Bay View Child Care Holdings Limited and its subsidiaries.

Bramley Care limited

On 1 April 2022 Nutrius UK BIDCO Limited acquired the entire share capital of Bramley Care Limited, an education services provider, for consideration of £25,238,000.

Goodwill arising on the acquisition of Bramley Care Limited totalled £23,261,000, and the fair value of assets acquired were as follows:

	Bramley Care Limited	Fair Value Adjustments	Fair value
	£'000	£'000	£'000
Tangible fixed assets	2,840	-	2,840
Debtors	1,502	-	1,502
Net cash	116	-	116
Creditors	(2,481)	-	(2,481)
	1,977	-	1,977

Bramley Care Limited contributed £4,391,000 of revenue and £1,265,000 of profit to the Group's profit between the date of acquisition and the balance sheet date.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Investments (continued)

Bay View Childcare Holdings Limited

On 29 April 2022 Nutrius UK BIDCO Limited acquired the entire share capital of Bay View Child Care Holdings Limited and its subsidiaries, a residential childrens services provider, for consideration of £5,354,000.

Goodwill arising on the acquisition of Bay View Child Care Holdings Limited totalled £5,358,000 and the fair value of assets acquired were as follows:

	Bay View Child Care Holdings Limited £'000	Fair Value Adjustments £'000	Fair value £'000
Tangible fixed assets	2,605	-	2,605
Debtors	765	-	765
Net cash	219	-	219
Creditors	(3,593)	-	(3,593)
	(4)	-	(4)

Bay View Child Care Holdings Limited contributed £2,030,000 of revenue and £101,000 of profit to the Group's profit between the date of acquisition and the balance sheet date.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Investments (continued)

The Company has the following subsidiaries at 31 December 2022:

Name of undertaking	Description of shares held	Principal activity	Holding of the group	Holding of the company
Active Care Solutions Limited *	Ordinary shares of £1 each	Foster care agency	100%	-
Adopters for Adoption Limited	Limited by guarantee	Adoption Agency	100%	-
Area Camden Holdings Limited	Ordinary shares of £1 each	Holding	100%	100%
Area Camden Limited	Ordinary shares of £1 each	Trading	100%	-
Bay View Childcare Holdings Limited *	Ordinary shares of £1 each	Holding	100%	100%
Bay View Childcare Limited *	Ordinary shares of £1 each	Trading	100%	-
Boston Holdco B Limited **	Ordinary shares of £1 each	Holding	100%	100%
Bramley Care Limited *	Ordinary shares of £1 each	Trading	100%	100%
Core Assets Group Limited *	Ordinary Shares of £1	Holding Company	100%	100%
Foster Care Associates Scotland Limited *	Limited by guarantee	Foster care agency	100% (as member and guarantor)	-
Core Assets CSR Limited *	Limited by guarantee	Dormant	100% (as member and guarantor)	-
Polaris Childrens Services Limited *	Ordinary shares of £1 each	Children Services	100%	-
Core Children's Services Limited *	Ordinary shares of £1 each	Dormant	100%	-
Core Assets Fostering Limited *	Ordinary shares of £1 each	Dormant	100%	-
Core Assets Compass Children's Service Limited *	Ordinary shares of £1 each	Dormant	100%	-

Nutrius UK BIDCO Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

11 Investments (continued)

Name of undertaking	Description of shares held	Principal activity	Holding of the group	Holding of the company
Clifford House Fostering Limited *	Ordinary shares of £1 each	Trading	100%	-
Dove Adolescent Services Limited *	Ordinary shares of £1 each	Trading	100%	100%
Core Assets Scotland Limited ***	Ordinary shares of £1 each	Dormant	100%	-
Fosterplus (Fostercare) Limited **	Ordinary shares of £1 each	Trading	100%	-
Fosterplus Limited **	Ordinary shares of £1 each	Trading	100%	-
Fostering People Limited ****	Ordinary shares of £0.25 each	Foster Care Agency	100%	-
Fostering People Scotland Limited *****	Limited by guarantee	Foster care agency	100%	-
Foster Care Associates Limited *	Ordinary shares of £1 each	Foster care agency	100%	-
Foster Care Associates (Northern Ireland) Limited *****	Limited by guarantee	Foster care agency	100% (as member and guarantor)	-
Headway Adolescent Resources Limited	Trading	100%	100%	100%
Hillcrest Care Limited **	Ordinary shares of £1 each	Holding	100%	-
ISP Childcare Limited **	Ordinary shares of £0.01 each	Holding	100%	-

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Investments (continued)

Name of undertaking	Description of shares held	Principal activity	Holding of the group	Holding of the company
Integrated Services Programme Limited **	Ordinary shares of £1 each	Trading	100%	-
Ideapark Limited *	Ordinary Shares of £1	Holding Company	100%	-
Learnative Limited *	Ordinary shares of £1 each	Dormant	100%	-
Leaving Care Solutions Limited *	Ordinary shares of £1 each	Trading	100%	-
Murray BIDCO Limited **	Ordinary shares of £1 each	Holding	100%	-
North Lakes Childrens Services Limited	Ordinary shares of £1 each	Holding	100%	100%
Nutrius Central Services Limited *	Ordinary shares of £1 each	Holding Company	100%	-
Nutrius Properties Limited *	Ordinary shares of £1 each	Trading	100%	100%
Oakvalley Properties	Ordinary shares of £1 each	Holding	100%	-
Outcomes for Children (Core Assets Group) Limited *	Ordinary shares of £1 each	Trading	100%	-
Outcomes for Children (DN2) Limited *	Ordinary shares of £1 each	Trading	100%	-
OGF Topco Limited **	Ordinary shares of £1 each	Holding	100%	-
OGF Midco Limited **	Ordinary shares of £1 each	Holding	100%	-

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Investments (continued)

Name of undertaking	Description of shares held	Principal activity	Holding of the group	Holding of the company
OGF Bidco Limited **	Ordinary shares of £1 each	Holding	100%	-
Orange Grove Fostercare LTD **	Ordinary shares of £1 each	Trading	100%	-
Partnerships in Children's Services Limited **	Ordinary shares of £1 each	Holding	100%	100%
P&D Group Limited **	Ordinary shares of £1 each	Holding	100%	-
Wingshield Properties & Accommodation Limited *	Ordinary shares of £1 each	Trading	100%	-

All the above subsidiaries are included in the group consolidation. The directors believe that the carrying value of the investments is supported by their underlying net assets or future cash flows.

Registered offices of the subsidiaries are referenced below.

- * Malvern View, Saxon Business Park, Hanbury Road, Stoke Prior, Bromsgrove, Worcestershire, B60 4AD, UK
- ** Wavendon Tower, Ortensia Drive, Wavendon, Milton Keynes, MK17 8LX, UK
- *** Pavilion 3 Gateway Office Park, Cambuslang Way, Glasgow, G32 8ND, Scotland
- **** Suite D, The Point, Wellbeck Road, West Brigford, Nottingham, NG27 7QW UK
- ***** Suite G2/3 Faraday Business Centre, Dundee, DD2 3QQ, Scotland
- ***** Unit 6&7, Belmont Office Park, 232-240 Belmont Road, Belfast, BT4 2AW, Northern Ireland

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

12 Debtors: amounts falling due within one year

	Group	Company	Group	Company
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Trade debtors	14,699	-	10,411	-
Amount owed by group undertakings	-	62,526	-	50,375
Amounts owed to parent	-	-	3	-
Other debtors	2,713	1,253	1,456	705
Fair Value of Interest Rate Cap (See note 19)	3,666	3,666	-	-
Prepayments and accrued income	2,726	-	2,655	-
Corporation Tax	724	-	-	-
	24,528	67,445	14,525	51,080

Trade debtors are shown after a provision of £502,000 (2021: £271,000).

Amounts owed by group undertakings are unsecured and have no fixed date of repayment.

13 Debtors: amounts falling due after more than one year

	Group	Company	Group	Company
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amount owed by group undertakings	-	-	-	29,551
	-	-	-	29,551

Amounts owed by group undertakings are unsecured and have no fixed date of repayment.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Creditors: amounts falling due within one year

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Bank loans and overdrafts	(1,275)	(1,275)	133	133
Trade creditors	2,088	60	1,534	-
Amounts owed to parent	896	899	782	782
Amounts owed to group undertakings	-	69,325	-	49,827
Corporation tax	-	-	1,024	-
Other taxation and social	1,474	-	1,227	8
Other creditors	6,383	1,415	6,409	1,714
Amounts due on Hire purchase	10	-	-	-
Accruals and deferred income	8,297	-	5,345	-
	17,873	70,424	16,454	52,464

Bank loans are shown net of unamortised issue expenses of £1,211,000. (2021: £1,211,000).

Amounts owed to parent and group undertakings are unsecured and have no fixed date of repayment.

15 Creditors: amounts falling due after more than one year

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Bank loans and overdrafts	149,891	149,891	148,679	148,679
	149,891	149,891	148,679	148,679

Bank loans are shown net of unamortised issue expenses £1,009,000. (2021: £2,221,000).

Bank loans are secured over the Group's assets.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 Provisions for liabilities

Group	Deferred tax	Property dilapidations	Total
	£'000	£'000	£'000
At 31 December 2021	609	546	1,155
Provision acquired as part of acquisitions in period	1,385	-	1,385
Movement on provision in the year	813	221	1,034
Utilised during the year	-	(82)	(82)
At 31 December 2022	2,807	685	3,492

Property dilapidations provision represents the estimated liabilities of the Group to return all lease properties to the condition required by the terms of the lease.
There is no provision held in balance sheet of the company.

The deferred tax liability movement on provision is further analysed in note 21.

17 Loans

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Analysis of maturity of bank loans:				
Within one year	(64)	(64)	1,345	1,345
Between one and five years	150,900	150,900	150,900	150,900
	150,836	150,836	152,245	152,245
Unamortised issue costs	(2,220)	(2,220)	(3,432)	(3,432)
	148,616	148,616	148,813	148,813

On 31 October 2018 Nutrius UK BIDCO Limited entered into a new banking facilities to fund the working capital requirements and future growth of the business.

Interest during the period was incurred at LIBOR plus a margin for the bank loans held. Following the cessation of LIBOR at 31 December 2021, interest in the future will be incurred at SONIA plus a margin. An interest rate cap is in place to mitigate exposure to interest rate risk.

The interest rate cap is measure at fair value through profit or loss. (See note 19)

Repayment of the capital balance is due at maturity of the loans. The maturity date of the banking facilities falls between 31 October 2024 and 31 October 2025.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

18 Financial Instruments

Group

	2022	2021
	£'000	£'000
Financial assets measured at fair value through profit or loss		
Fair value of interest rate cap (see note 19)	3,666	-
	3,666	-
Financial assets measured at amortised cost		
Cash	30,344	46,912
Trade debtors	14,699	10,411
Accrued income	2,205	1,170
Other debtors	2,182	802
	49,431	59,295
Financial liabilities measured at amortised cost		
Loans	(150,900)	(150,900)
Trade creditors	(2,088)	(1,534)
Accruals	(3,749)	(2,982)
Other creditors	(6,264)	(6,298)
Amounts owed to parent	(896)	(782)
	(163,897)	(162,496)

19 Financial instruments measured at fair value

(a) The carrying amount of the financial assets and liabilities measured at fair value include:

	2022	2021
	£'000	£'000
Assets measured at fair value through profit and loss	3,666	-

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

19 Financial instruments measured at fair value (continued)

The fair value of interest rate caps is based on valuations provided the institutions the interest rate caps are held with and based on mid-market prices. Where there is an agreed settlement price for the interest rate cap this has been recognised as the fair value of the instrument.

20 Operating lease commitments

Future minimum operating lease payments (excluding value added tax) are as follows:

	2022	2021
	Total	Total
Group	£'000	£'000
Payable:		
Within one year	3,603	3,158
Between two to five years inclusive	5,742	4,334
In more than five years	5,321	2,829
	14,666	10,321

Company

The Company has no lease commitments.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

21 Deferred tax liability

Deferred tax liability	Group £'000
At 31 December 2021	609
Deferred tax liability acquired	1,385
Adjustment in respect of prior periods	(6)
Debited to profit and loss account	819
At 31 December 2022	2,807

The Group's deferred tax liability at 31 December 2022 has been reported within provisions (see note 16).

	2022 £'000	2021 £'000
Capital allowances in excess of depreciation	1,940	774
Other short-term timing differences	(33)	(165)
Non trading timing differences	902	-
Losses	(2)	-
Deferred tax liability	2,807	609

The group has an unrecognised deferred tax assets of £172,000 (2021: £172,000).

The deferred tax assets and liabilities in these financial statements have been calculated based on these assets and liabilities reversing at 25% (2021: 25%), apart from that relating to pensions which will reverse within 12 months and have therefore been recognised at a blended deferred tax rate of 23.5%.

22 Pensions

The Group operates five defined contribution pension schemes for its employees. The Group's contributions to the schemes, which are paid in accordance with the scheme rules, are charged to the profit and loss account as incurred. The 2022 Group pension cost charge was £1,807,000 (2021: £1,584,000). At the year end, £297,000 was payable by the Group to the schemes. (2021: £239,000)

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

23 Called up share capital

Group and company	2022	2021
	£000	£000
Allotted, issued and fully paid:		
52,998,001 ordinary shares of £1 each	52,998	52,998
Total called up share capital	52,998	52,998

24 Analysis of changes in net debt

	Opening	Acquired	Cash flows	Non cash changes	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	46,912	332	(16,900)	-	30,344
Debt due within 1 year	(133)	2,173	(2,173)	1,408	1,275
Debt due after 1 year	(148,679)	-	-	(1,211)	(149,890)
Net debt	(101,900)	2,505	(19,073)	197	(118,271)

Non cash changes represent the amortisation of capitalised deal fees in the period and the movement on interest accrued at year end.

25 Related party disclosures

The Company has taken advantage of the exemption under FRS102 paragraph 33.11 (b), and has not disclosed transactions with entities that are part of Nutrius UK BIDCO Limited, where a fellow subsidiary undertaking is a 100% subsidiary of Nutrius UK BIDCO Limited.

Nationwide Association of Fostering Providers

During the year the Group has been provided with the provision of subscription services, a company related by common directorship, amounting to £18,900 (2021: £18,900) exclusive of value added tax. No balance was outstanding at year end.

CapVest Private Equity III L.P.

During the year the group was provided with monitoring services by the ultimate controlling party amounting to £702,000 (2021: £1,228,000) exclusive of value added tax. The balance outstanding at year end was £702,000.

Nutrius UK BIDCO Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

26 Contingent Liabilities

The company is subject to cross party guarantees for bank debt due. The total amount due as at 31 December 2022, and covered by the guarantee amounted to £150,836,000 (2021: £152,245,000)

Nutrius UK BIDCO Limited the parent company of the group has provided a statutory guarantee to certain entities for all outstanding liabilities to which those subsidiaries are subject to at 31 December 2022.

This enables them to take the BIS exemptions from obtaining a signed statutory audit opinion under 479A of the Companies Act 2006.

The companies provided with a statutory guarantee are Polaris Children's Services Limited (06537039), Adopters for Adoption Limited (08689629), Fostering People Scotland Limited (SC416732), Outcomes for Children (Core Assets Group) Limited (09049637), Outcomes for Children (DN2) Limited (12844569), Active Care Solutions Limited (07991539), Foster Care Associates (Northern Ireland) Limited (NI625999), Leaving Care Solutions Limited (06820538), Wingshield Properties & Accommodation Limited (05698818), Fostercare Associates Scotland Limited (SC238143), Core Assets Group Limited (11052072), Ideapark Limited (07554718), Partnerships In Children's Services Limited (08152989), Boston Holdco B Limited (08516284), Hillcrest Care Limited (03071992), OGF Bidco Limited (09957345), OGF Midco Limited (09957297), OGF Topco Limited (09957085), Murray Bidco Limited (09153059), P&D Group Limited (04067977), Fosterplus Limited (03196297), Fosterplus (Fostercare) Limited (03196461), Clifford House Fostering Limited (06837132), ISP Childcare Limited (08494425), North Lakes Childrens Services Limited (05671379), Area Camden Holdings Limited (11866382), Area Camden Limited (08279863), Dove Adolescent Services Limited (03523231), Headway Adolescent Resources Limited (03875003), Oakvalley Properties (08309466), Bayview Child Care Limited (07149063), Bayview Child care Holdings Limited (11224174), Bramley care Limited (05811145), Nutrius Properties Limited (14332254), Nutrius Central Services Limited (06023385), Fostercare associates limited (04322806), Fostering People Limited (04241833), Integrated Services programme (02820208) and Orange Grove Fostercare Limited (07027421).

27 Results of holding company

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company. The loss for the Company for the year was £2,411,000 (2021: £5,538,000).

28 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Nutrius UK MIDCO Limited. The ultimate parent undertaking and controlling company is Nutrius UK TOPCO Limited. All parent companies are incorporated in England and Wales.

At 31 December 2022 Nutrius UK TOPCO Limited was the parent of the largest group and Nutrius UK BIDCO Limited was the parent of the smallest group to consolidate these financial statements. Copies of these financial statements can be obtained from the Company secretary at the following registered address: Malvern View, Saxon Business Park, Hanbury Road, Stoke Prior, Bromsgrove, Worcestershire. B60 4AD.

The ultimate parent and controlling party is CapVest Equity Partners III, L.P. in view of their controlling interest in the share capital of Nutrius UK TOPCO Limited.