

Company Registration No. 05712186

By the Bridge Holdings Limited

Annual Report and Financial Statements

**For the 18 month period ended
31 December 2015**



By the Bridge Holdings Limited

Contents

	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

By the Bridge Holdings Limited

Officers and professional advisers

Directors

M S Asaria
A Carrie
J Newman

Company Secretary

F Jardine

Registered Office

4th Floor, Waterfront Building
Chancellors Road
Hammersmith Embankment
London
W6 9RU

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom
EC4A 3BZ

By the Bridge Holdings Limited

Directors' report

The Directors present the Strategic report for By the Bridge Holdings Limited ("the Company") together with the audited financial statements for the 18 month period ended 31 December 2015.

On 25 March 2015 the Company was acquired by Cambian FS Limited, a subsidiary of Cambian Group Plc, the ultimate parent entity. Subsequently the Company has extended its accounting period to 18 months to align with the Group year end.

Principal activities

The principal activity of the company in the period under review was that of the holding investments in companies providing services to foster parents and local authorities

Review of the business

The Profit and loss account of the Company is set out on page 8.

The Company's Key Performance Indicators ("KPIs") are net assets and profit before tax:

	18 month period ended 31 December 2015	Year ended 30 June 2014	Movement
Net assets	23,013,360	12,452,802	84.8%
Profit before tax	12,151,962	7,857,090	54.6%

The Company was purchased by Cambian Group Plc, which purchased 100% of the share capital of the Company on 25 March 2015. The Company has continued to operate as a holding company for its subsidiaries.

Profit before tax in the current period is related predominantly to dividends received from Group undertakings, and the release of the provision for preference dividends subsequent to the change of ownership.

Details of significant events since the balance sheet date are contained in the Director's report.

Business risks and strategy

Its subsidiaries relies on publicly funded entities in the UK for substantially all of its revenues and the loss, reduction to such funding, or changes to procurement methods, could negatively impact the Company's. The key business risks and uncertainties affecting its subsidiaries are considered to be competition from other foster care service companies, the economic outlook and foster parents retention. These risks are formally considered by the Board and appropriate processes put in place to monitor and mitigate them.

Its subsidiaries operate in a highly regulated business environment, which is subject to political and regulatory scrutiny. Failure to comply with regulations or the introduction of new regulations or standards with which its subsidiaries does not comply could lead to substantial penalties, including the loss of registration on some or all of its subsidiaries facilities. The Company mitigates this risk by focussing on quality of care for its service users and consistently maintain high regulatory scores from its regulators.

Entities have large intergroup balances which could negatively impact going concern. This risk is mitigated through the confirmation from Cambian Group Holdings I, that for at least twelve months from the date of approval of these financial statements, that it will provide financial support to Group companies.

The Company is a wholly-owned subsidiary of the ultimate holding company, Cambian Group Plc., which is listed on the London Stock Exchange. Details of the Group's business risks and strategy can be reviewed in the Annual Report which is available on the Group's website (note 14).


MS Asana
Director

28 September 2016

By the Bridge Holdings Limited

Directors' report

The directors present their annual report on the affairs of By the Bridge Holdings Limited ('the Company'), together with the financial statements and auditor's report, for the 18 month period ended 31 December 2015.

Principal activities

The principal activity of the company in the period under review was that of the holding investments in companies providing services to foster parents and local authorities.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 2 of the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks, including credit risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and cash, The Company has no significant concentration of credit risk.

Post balance sheet events

There have been no events after the balance sheet date in the current year.

Dividends

The directors did not recommend a final dividend (2014: £nil). An interim dividend of £7,000,000 (£7,376.19 per ordinary share) was paid on 24 December 2015.

Directors

The directors, who served throughout the year except as noted, were as follows:

M S Asaria (appointed 25 March 2015)
A P Griffith (appointed 25 March 2015, resigned 27 April 2016)
N L Tunbridge (resigned 28 July 2016)
S Adkin (resigned 25 March 2015)
Sir C Chantler (resigned 25 March 2015)
J F Parker (resigned 25 March 2015)
G Bereika (resigned 25 March 2015)
A Carrie (appointed 28 July 2016)
J Newman (appointed 28 July 2016)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

By the Bridge Holdings Limited

Directors' report (continued)

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor under s487 of the Companies Act 2006 unless the members exercise their statutory rights to prevent reappointment.

Approved by the Board and signed on its behalf by:



MS Asaria
Director

28 September 2016

By the Bridge Holdings Limited

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Independent auditor's report to the members of By the Bridge Holdings Limited

We have audited the financial statements of By the Bridge Holdings Limited for the 18 month period ended 31 December 2015 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Independent auditor's report to the members of By the Bridge Holdings Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Mark Beddy FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

29 September 2016

By the Bridge Holdings Limited

Profit and loss account

For the 18 month period ended 31 December 2015

	Note	18 month period ended 31 December 2015 £	Year ended 30 June 2014 £
Administrative expenses		(39,511)	(32,751)
Operating loss	4	(39,511)	(32,751)
Interest receivable and similar income	5	12,340,982	9,023,234
Interest payable and similar charges	6	(149,509)	(1,133,393)
Profit on ordinary activities before taxation		12,151,962	7,857,090
Tax on profit on ordinary activities	7	36,663	(9,958)
Profit for the financial period/year		12,188,625	7,847,132

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income in the current or prior year other than those recognised in the profit and loss account. Accordingly, a separate Statement of comprehensive income has not been presented.

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

By the Bridge Holdings Limited

Balance sheet As at 31 December 2015

	Note	31 December 2015 £	30 June 2014 £
Fixed assets			
Investments	8	23,424,882	23,424,882
Current assets			
Debtors	9	286,667	-
Cash at bank and in hand		5,286	3,023,875
		291,953	3,023,875
Creditors: amounts falling due within one year	10	(703,475)	(5,352,022)
Net current liabilities		(411,522)	(2,328,147)
Total assets less current liabilities		23,013,360	21,096,735
Creditors: amounts falling due after more than one year	11	-	(8,643,933)
Net assets		23,013,360	12,452,802
Capital and reserves			
Called up share capital	12	958	652
Share premium account		17,450,478	13,305,943
Capital redemption reserve fund		61	61
ESOP Reserve		-	(1,227,092)
Profit and loss account		5,561,863	373,238
Shareholders' funds		23,013,360	12,452,802

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

The financial statements of By the Bridge Holdings Limited (registered number 05712186) were approved by the Board of Directors and authorised for issue on 28 September 2016.

Signed on behalf of the Board of Directors



MS Asaria
Director

28 September 2016

By the Bridge Holdings Limited

Statement of changes in equity
For the 18 month period ended 31 December 2015

	Called up share capital £	Share premium account £	Capital redemption reserve fund £	ESOP Reserve £	Profit and loss account £	Total £
At 1 July 2013	625	12,078,939	-	-	(5,773,839)	6,305,725
Profit for the financial year and total comprehensive income	-	-	-	-	7,847,132	7,847,132
Share buy-back	-	-	-	-	(1,700,055)	(1,700,055)
Issue of share capital	27	1,227,004	61	(1,227,092)	-	-
At 30 June 2014	652	13,305,943	61	(1,227,092)	373,238	12,452,802
Profit for the financial period and total comprehensive income	-	-	-	-	12,188,625	12,188,625
Dividends paid	-	-	-	-	(7,000,000)	(7,000,000)
Issue of share capital	297	5,371,636	-	-	-	5,371,933
Reclassification of share capital	9	(1,227,083)	-	1,227,092	-	-
At 31 December 2015	<u>958</u>	<u>17,450,478</u>	<u>61</u>	<u>-</u>	<u>5,561,863</u>	<u>23,013,360</u>

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

By the Bridge Holdings Limited

Notes to the financial statements

For the 18 month period ended 31 December 2015

1. General information

By the Bridge Holdings Limited ('the Company') is a company incorporated in Great Britain under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company is included in the consolidated financial statements of Cambian Group Plc, a company registered in the United Kingdom. Accordingly the Company has taken advantage of the exemption given in s400 of the Companies Act 2006 from preparing and delivering Group financial statements. The financial statements present the results of the Company as an individual entity and not the results of the Group.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

ADOPTION OF NEW AND REVISED STANDARDS

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current period

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRIC 21 <i>Levies</i>	The Company has adopted IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the company's financial statements.
Annual Improvements to IFRSs: 2011-2013	The Company has adopted the various amendments to a number of standards. IFRS 3 <i>Business Combinations</i> , IFRS 13 <i>Fair Value Measurement</i> and IAS 40 <i>Investment Property</i> . The majority of the amendments are in the nature of clarifications rather than substantive changes to existing requirements.

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101 and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements have been prepared in accordance with FRS 101.

There were no material adjustments on adoption of FRS 101 in the current period.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Cambian Group Plc. The group financial statements of Cambian Group Plc are available to the public and can be obtained as set out in note 14.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Going concern

The Directors have, at the time of signing the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Although the Company has net current liabilities of £0.4m, the Company has received confirmation from Cambian Group Holdings I, that for at least twelve months from the date of approval of these financial statements, that it will provide financial support to the Company. Accordingly, they have adopted the going concern basis of accounting in preparing the financial statements. The Directors have considered the Company's cash flow forecasts and profit projections and are satisfied that the Company should be able to operate within its current facilities. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

2. Significant accounting policies (continued)

Investments

Fixed asset investments are held at cost less any provision for diminution in value.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs. All financial assets, other than cash and cash equivalents, are classified as "loans and receivables".

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

2. Significant accounting policies (continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are classified as other financial liabilities. In certain circumstances the Company is required to undertake the responsibility of Corporate Appointee for individuals under the Company's care, as they lack the capacity to manage their own finances. The responsibility involves safeguarding the individual's financial assets and ensuring that the support they receive from the UK government is apportioned appropriately. The Company segregates these funds from its own in restricted bank accounts and records a corresponding liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

There were no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key source of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Operating Loss

	18 month period ended 31 December 2015 £	Year ended 30 June 2014 £
Operating loss is stated after charging:		
Fees payable to the Company's auditor for:		
- the audit of the annual financial statements	6,300	4,800

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

5. Interest receivable and similar income

	18 month period ended 31 December 2015 £	Year ended 30 June 2014 £
Dividends received	7,000,000	9,000,000
Bank interest receivable	17,930	23,234
Preference dividends waived	5,323,052	-
	<u>12,340,982</u>	<u>9,023,234</u>

In the current year the dividends accumulated on preference shares were agreed to be waived.

6. Interest payable and similar charges

	18 month period ended 31 December 2015 £	Year ended 30 June 2014 £
Preference dividend payable	-	654,400
Interest payable to Group undertakings	149,509	478,993
	<u>149,509</u>	<u>1,133,393</u>

The interest payable to Group undertakings is accrued and paid at a rate of 5%.

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

7. Tax on profit on ordinary activities

	18 month period ended 31 December 2015 £	Year ended 30 June 2014 £
UK corporation tax		
Current tax on profit for the year	(36,663)	-
Deferred tax (note 10)		
Origination and reversal of timing differences	-	9,958
Total tax on profit on ordinary activities	(36,663)	9,958

The tax assessed for the year is lower (30 June 2014: lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	18 month period ended 31 December 2015 £	Year ended 30 June 2014 £
Profit on ordinary activities before tax	12,151,962	7,857,090
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (30 June 2014: 22.5%)	2,460,356	1,767,953
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	1,914
Short term timing differences	-	157,207
Transfer pricing adjustments	(2,494,996)	(2,025,124)
Other adjustments	(2,023)	108,008
Total tax for the year	(36,663)	9,958

On 8 July 2015, the UK Government announced a reduction in the main rate of UK corporation tax to 19% with effect from 1 April 2017, and a subsequent 1% reduction to 18% with effect from 1 April 2020. These rate changes were substantively enacted on 18 November 2015 and reflected in the above calculations.

On 16 March 2016, the UK Government announced a further reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020. This rate change was not substantively enacted at the balance sheet date and has consequently not been reflected in the above calculations.

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

8. Fixed asset investments

	Total £
Cost	
At 1 July 2014	25,055,149
Additions	-
	<hr/>
At 31 December 2015	25,055,149
	<hr/>
Provision for impairment	
At 1 July 2014 and 31 December 2015	1,630,267
	<hr/>
Carrying amount	
At 31 December 2015	23,424,882
	<hr/>
At 30 June 2014	23,424,882
	<hr/>

The Company holds investments in the following companies:

Company	Country of registration or incorporation	Class of share	% held	Nature of business
By the Bridge Limited	Great Britain	Ordinary	100%	Fostering organisation
By the Bridge North West Limited	Great Britain	Ordinary	100%	Fostering organisation

9. Debtors

	31 December 2015 £	30 June 2014 £
Corporation Tax	286,667	-
	<hr/>	<hr/>
	286,667	-
	<hr/>	<hr/>

By the Bridge Holdings Limited

Notes to the financial statements (continued) For the 18 month period ended 31 December 2015

10. Deferred tax

The movement in the deferred taxation account during the period/year was:

	31 December 2015 £	30 June 2014 £
Balance brought forward	-	9,958
Profit and loss account movement arising during the period/year	-	(9,958)
Balance carried forward	-	-

11. Creditors: amounts falling due within one year

	31 December 2015 £	30 June 2014 £
Amounts owed to Group undertakings	680,629	3,284,424
Preferred ordinary dividend	-	2,051,052
Accruals and deferred income	22,846	16,546
	703,475	5,352,022

All amounts due to group undertakings are non-interest and bearing repayable on demand. The Company has received confirmation from Cambian Group Holdings I, that for at least twelve months from the date of approval of these financial statements, that it will provide financial support to the Company. Interest of £nil has been paid in the current period.

12. Creditors: amounts falling due after more than one year

	31 December 2015 £	30 June 2014 £
Preferred ordinary shares	-	5,371,933
Preferred ordinary dividend	-	3,272,000
	-	8,643,933

By the Bridge Holdings Limited

Notes to the financial statements (continued)

For the 18 month period ended 31 December 2015

13. Called up share capital

	31 December 2015 Number	31 December 2015 £	30 June 2014 Number	30 June 2014 £
Allotted, called up and fully-paid				
Ordinary Shares of 0.1pence each	958,432	958	-	-
A Ordinary shares of 1 pence each	-	-	40,880	409
Preferred ordinary shares of 1 pence each	-	-	45,161	155
Extra Growth shares of 1 pence each	-	-	76	1
Growth shares of 1.1 pence each	-	-	8,842	87
	<u>958,432</u>	<u>958</u>	<u>94,959</u>	<u>652</u>

On 28 July 2015 all shares in existence were converted to ordinary shares of 0.1 pence.

14. ESOP shares

The Employee Share option plan ('ESOP') was established in June 2014 to fulfil the obligations of the company for shares awarded under the company's equity incentive scheme. Under the scheme the trustee, By the Bridge Management Company Limited, subscribed for the company's Growth shares at market value using an intercompany loan from By the Bridge Holdings Limited. On 26 March 2015, on change of ownership of the company all the shares fully vested.

15. Control

The immediate parent company is Cambian FS Limited. The ultimate parent company and the smallest group into which the financial statements of the Company are consolidated is Cambian Group Plc, a company incorporated in the United Kingdom whose registered address is 4th Floor, Waterfront Building, Hammersmith Embankment, London, W6 9RU. Consolidated financial statements are available on the Group's website.