

Consolidated financial statements Just Childcare Holdings Limited

For the year ended 31 December 2020

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Company No 09287055

Company information

Company registration number	09287055
Directors	D W Johnson J A Johnson B J Robinson (resigned 2 June 2021) J R Thomas (resigned 2 June 2021) V Murray (resigned 2 June 2021) M C G Iacono (appointed 2 June 2021) J J C Lemmens (appointed 2 June 2021) Partou UK Bidco Limited (appointed 2 June 2021) R H M Visser (appointed 2 June 2021)
Country of incorporation	England and Wales
Registered office	Ridgway House Progress Way Denton Manchester M34 2GP
Auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors 4 Hardman Square Spinningfields Manchester M3 3EB

Index

	Page
Strategic report	3
Report of the directors	7
Independent Auditors' Report	9
Consolidated Statement of Comprehensive Income	13
Consolidated Statement of Financial Position	14
Company Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Company Statement of Changes in Equity	17
Consolidated Statement of Cash Flow	18
Notes to the financial statements	19

Strategic Report (continued)

Business activities

The Group's principal activity is the operation of private day nurseries. The Company acts as a holding company.

Business review

The Group's objective is to be a leading provider of high-quality childcare and to build clusters in areas with strong demographic characteristics and demand. The group has established clusters in the North West, Yorkshire and the South West supported by a central function located in Manchester. As at the year-end the Group was operating 60 nurseries providing 4,498 childcare places.

The Group's results for the year ended 31 December 2020 are summarised below:

Turnover: £26.9m (2019: £28.4m) and operating profit for the year: £2.3m (2019: £0.5m). EBITDA for the year was £7.1m (2019: £5.0m).

During 2020 the Group received £3.1m in Government grants from the Furlough scheme to support the Group through the COVID Pandemic where a number of the Group's nurseries were temporarily closed and nursery and other staff would have been laid off without furlough. Without this support the Group would have posted a £0.8m operating loss.

The Group delivers high quality childcare by implementing a framework of common policies, procedures and core values across nurseries and all acquisitions.

A number of key performance indicators are used to identify and measure its performance with the main focus being on turnover, occupancy and site profitability. All nurseries are subject to continuous quality management and audit in order to monitor performance and maintain standards and quality across the portfolio.

The company operates a nursery management system across the group to improve and control quality monitoring, planning and financial information.

The plan is to continue to grow the number of childcare places by both improving current capacities and by further acquisitions. The expansion and maintenance of high-quality care is supported by a central team based at the Group Head Office in Greater Manchester.

Statement by the directors on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.

Directors are briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent advisor.

The Board confirms that, during the year, it has had regard to the matters set out above. Further details as to how the Directors have fulfilled their duties, together with references to relevant areas within these financial statements are set out below.

Strategic Report (continued)

Risk Management

As we continue to grow, it is vital that we effectively identify, evaluate, manage and mitigate the risks we face. For details of our principal risks and uncertainties, and how we manage our risk environment, please see pages 5 to 6 of the Strategic Report. The Board is also aware that an understanding of the future prospects of the Company is of vital importance to all stakeholders.

Employee Involvement

During the year, the policy of providing employees with information about the company has been continued through internal media and social media methods. Regular updates have been held virtually with local Management and have been cascaded through their teams where appropriate.

Equality

Just Childcare is committed to equality of opportunity for all current and prospective associates regardless of age, disability, race, religion or belief, sexual orientation, pregnancy and maternity, marriage and civil partnership and gender reassignment. We are an equal opportunity employer and support a culture of diversity and inclusion. The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions with any support needed and to provide training and career development and promotion to disabled employees wherever appropriate.

Business Relationships

The company endeavours to forge strong relationships with suppliers built on honesty, fairness, and mutual respect. We meet with key suppliers on a regular basis and take reasonable steps to ensure our suppliers comply with our standards, such as those relating to environmental responsibility, modern slavery, data protection, human rights, and ethics. We also aim to act responsibly in our engagement with regulators and insurers, we respond quickly and fully to any queries.

Community and environment

The company's approach is to use its position of strength to create positive change for the people and communities with which we interact, giving back wherever it can. We want to leverage our expertise and enable our people to support the communities around us. We recognise our responsibilities to achieve good environmental practice and to continue to strive for improvement in areas of environmental impact. We are committed to energy efficiency improvement and continue to take steps in a continuous improvement strategy.

Culture and Values

The Board recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals in the right way, so we look after the best interests of our employees, customers and other stakeholders. We are committed to the provision of high-quality childcare in the UK. We have carefully developed corporate values which are embedded within the day-to-day interactions of the company.

Covid-19 impact

Financial performance in Q1 2020 was strong and in line with the business plan. As a result of the Covid-19 Pandemic turnover in Q2 was lower than planned. The Directors were pleased that the Group was able to keep a substantial number of nurseries open throughout the Pandemic providing childcare to vulnerable children and designated key workers, thanks to the dedication and commitment of our staff. From June 2020 all our nurseries were open to all our customers since then our nurseries have rebuilt overall occupancy closer to expectations. Despite lower turnover, we have been able to maintain sufficient liquidity to see us through this difficult time and ensure continuity of the business into 2021. We have achieved this through diligent operational management and having the ability to draw down additional funds from our existing bank facilities. The demand for childcare continues to strengthen month on month and the directors believe the Group is well placed to capitalise on a return to more normal market conditions during 2021.

Strategic Report (continued)

Streamlined Energy & Carbon Reporting (SECR)

The Group's Greenhouse Gas emissions and energy use for the 12 months to 31 October 2019 are reported below.

Methodology used

The Group has used data from its latest ESOS audit to assess its scope of carbon emissions and energy use for activities over which it has control. All of the Group's emissions and energy use relates to UK activities, there are no overseas activities. The largest element of the emissions generated by the Group are electricity and gas usage by its estate of children's day care nurseries.

The table below summarises the Group's CO₂ emissions and energy use across its portfolio of properties and vehicles that had been operating for the twelve months to October 2019.

	tCO ₂
Scope 1 emissions	Nil
Scope 2 emissions	778.2
Total emissions	<u>778.2</u>

Energy consumption used to calculate the above emissions 3,850,386 kWh

Intensity Ratio: tCO₂/turnover £m 29.0

Emissions and energy efficiency actions

The Group carried out an ESOS audit which completed in early 2021 to identify energy usage and opportunities for energy saving. Whenever a nursery is refurbished, the Group look to put in energy saving lighting and energy efficient appliances. Building systems are maintained and serviced on a regular basis to ensure that they are operating efficiently. This is supported by further activities including the development of guides to help staff manage equipment pro-actively and efficiently.

Post balance sheet events

On 2nd June 2021 the entire share capital of Just Childcare Holdings Limited were acquired by Partou UK Bidco Limited, a company established by the leading Dutch nursery group, Kids Foundation/ Partou. The ultimate parent body of the group is now Orange Topco B.V registered in Amsterdam.

As part of the acquisition the loan notes and bank debt were redeemed and replaced with intercompany debt of £72,177,695. Interest is charged by Partou UK Bidco Limited at 7.5% per annum.

On 31st March 2021 the Group acquired the entire share capital of The Village Day Nursery Limited for an initial consideration of £920,000. On 30th April 2021 the Group acquired the entire share capital of Pebbles Nursery Limited for an initial consideration of £945,000.

Principal risks and uncertainties

The business is subject to a number of risks that are managed by the implementation of standardised policies and procedures and a central Finance function. Compliance is monitored closely by a central operations support team and use of external consultants to ensure the delivery of high-quality childcare.

Regulatory

The key external risks is associated with changes in regulatory e.g. Ofsted and government policy which are managed through internal systems and controls and by the expertise provided by professional and experienced staff within the Group.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Financial risk management

The Group uses various financial instruments. These include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance price risk and currency risk have been ignored as they are not considered a material risk to the business. The Group is not exposed to translation and transaction foreign exchange risk.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. All of the Group's borrowings are disclosed in notes 17 and 18.

Credit risk

Credit risk in the Group is managed by requiring the majority of parents to pay their childcare fees monthly in advance. This ensures that the Group has excess liquidity and enables payment of suppliers and other financial commitments when due.

This report was approved by the board and signed on its behalf by:



D W Johnson
Director
Date: 27 August 2021

Report of the directors

The Directors present their annual report on the affairs of the Group, together with the Financial Statements and auditor's report, for the year ended 31 December 2020.

Directors

The Directors who served during the year are as follows:

D W Johnson
J A Johnson
B J Robinson (resigned 2 June 2021)
J R Thomas (resigned 2 June 2021)
V Murray (resigned 2 June 2021)

Employees

The Group places considerable value on the involvement of its employees and informs them, through ad hoc updates, on matters affecting them as employees and on the various factors affecting the performance of the Group.

The Group's policy is to provide equality of employment opportunity, through training and career development. Full and fair consideration is given to applications for employment from disabled persons and the continuing employment of employees who become disabled persons whilst employed within the Group.

Result and dividends

The loss for the year, after taxation, amounted to £4.7m (2019: £4.6m).

The directors do not recommend the payment of a dividend to the holders of its ordinary shares in respect of the year (2019: £nil)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's report and the Strategic report.

The Group has prepared forecast for a period in excess of 12 months following the approval of the financial statements. In addition, the Directors have obtained assurance from their parent company that they will not seek repayment of the intercompany debt during the 12 month following approval of these financial statements.

Charitable and political donations

The Group made charitable donations in the period totalling £2,500 (2019: £2,500). The Group did not take any political donations.

Report of the directors (continued)

Matters covered in the strategic report

The business review, future outlook and assessment of financial risk management is included within the strategic report.

Qualifying third party indemnity provisions

During the financial year a qualifying third party indemnity provision for the benefit of all directors was in force.

Directors' responsibilities statement

The directors are responsible for preparing the Report of the directors, Strategic 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 they 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 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 and profit or loss of the company and group 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;
- 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.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



D W Johnson
Director

Date: 27 August 2021

Independent Auditors' Report to the Members of Just Childcare Holdings Limited

Opinion

We have audited the financial statements of Just Childcare Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

Independent Auditors' Report to the Members of Just Childcare Holdings Limited

Conclusions relating to going concern (continued)

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Independent Auditors' Report to the Members of Just Childcare Holdings Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and Companies Act 2006.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
- Assessing the design and implementation of controls management has in place to prevent and detect fraud;

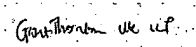
Independent Auditors' Report to the Members of Just Childcare Holdings Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
- The engagement team's discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of fraud in revenue recognition.
- In assessing the potential risk of material misstatement, we obtained an understanding of the company's operations, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in material misstatement, and the company's control environment, including the adequacy of procedures for the authorisation of transactions.

Use of our report

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.



Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Date: 27 August 2021

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	3	26,869	28,425
Cost of sales		(17,622)	(17,407)
Gross profit		9,247	11,018
Administration expenses		(10,031)	(10,523)
Other operating income	4	3,090	-
Adjusted EBITDA		7,053	5,033
Amortisation	12	(3,574)	(3,137)
Depreciation	13	(994)	(927)
Exceptional costs	11	(179)	(474)
Operating profit	5	2,306	495
Interest payable and similar charges	6	(6,566)	(4,548)
Loss on ordinary activities before taxation		(4,260)	(4,053)
Tax on loss on ordinary activities	10	(410)	(564)
Total comprehensive loss for the financial year		(4,670)	(4,617)

There were no recognised gains and losses for 2020 or 2019 other than those included in the Consolidated Statement of Comprehensive Income.

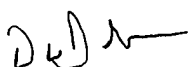
The notes on pages 19 to 39 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Goodwill	12	24,796	28,350
Intangible assets	12	4	9
Tangible assets	13	<u>19,749</u>	<u>20,106</u>
		44,549	48,465
Current assets			
Debtors	15	937	957
Cash and cash equivalents	16	<u>7,417</u>	<u>6,115</u>
		8,354	7,072
Creditors: amounts falling due within one year	17	<u>(7,173)</u>	<u>(10,746)</u>
Net current assets/ (liabilities)		<u>1,181</u>	<u>(3,674)</u>
Total assets less current liabilities		45,730	44,791
Creditors: amounts falling due after more than one year	18	(70,333)	(64,479)
Provisions for liabilities	19	<u>(140)</u>	<u>(385)</u>
Net liabilities		<u>(24,743)</u>	<u>(20,073)</u>
Capital and reserves			
Called up share capital	21	182	182
Share premium	22	19	19
Profit and loss account	22	<u>(24,944)</u>	<u>(20,274)</u>
Shareholders' deficit		<u>(24,743)</u>	<u>(20,073)</u>

These financial statements were approved and authorised for issue by the board on 27 August 2021 and were signed on its behalf by:



D W Johnson
Director

Company registered number: 09287055

The notes on pages 19 to 39 form part of these financial statements.

Company Statement of Financial Position

As at 31 December 2020

		2020		2019	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Investments	14	<u>58</u>	<u>58</u>	<u>58</u>	58
Current assets					
Debtors	15	<u>172</u>	<u>172</u>	<u>169</u>	169
Creditors: amounts falling due within one year	17		<u>(1)</u>		<u>(1)</u>
Net current assets			<u>171</u>		<u>168</u>
Total assets less current liabilities			<u>229</u>		<u>226</u>
Net assets			<u>229</u>		<u>226</u>
Capital and reserves					
Called up share capital	21		<u>182</u>		182
Share premium	22		<u>19</u>		19
Profit and loss account	22		<u>28</u>		<u>25</u>
Shareholders' funds			<u>229</u>		<u>226</u>

As provided by section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit for the year was £3,000 (2019: £5,000).

These financial statements were approved and authorised for issue by the board and were signed on 27 August 2021 its behalf by:



D W Johnson
Director

Company registered number: 09287055

The notes on pages 19 to 39 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Called up Share capital £'000	Share premium £'000	Profit and loss account £'000	Total Equity £'000
For the Year Ended 31 December 2020				
Balance at 31 December 2019	182	19	(20,274)	(20,073)
Comprehensive loss for the year	-	-	(4,670)	(4,670)
Balance at 31 December 2020	182	19	(24,944)	(24,743)
For the Year Ended 31 December 2019				
Balance at 31 December 2018	182	19	(15,657)	(15,456)
Comprehensive loss for the year	-	-	(4,617)	(4,617)
Balance at 31 December 2019	182	19	(20,274)	(20,073)

The notes on pages 19 to 39 form part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2020

	Called up Share capital £'000	Share premium £'000	Profit and loss account £'000	Total Equity £'000
For the Year Ended 31 December 2020				
Balance at 31 December 2019	182	19	25	226
Comprehensive income for the year	-	-	3	3
Balance at 31 December 2020	182	19	28	229
For the Year Ended 31 December 2019				
Balance at 31 December 2018	182	19	20	221
Comprehensive income for the year	-	-	5	5
Shares issued during the year	3	-	-	3
Balance as at 31 December 2019	182	19	25	226

The notes on pages 19 to 39 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Loss for the year		(4,670)	(4,617)
Adjustments for:			
Amortisation	12	3,574	3,137
Depreciation	13	994	927
Interest payable and similar charges	6	6,566	4,548
Taxation	10	410	564
(Profit)/ loss on disposal of fixed asset		(17)	5
Decrease/ (increase) in trade and other debtors		20	1,291
Increase/(decrease) in trade and other creditors		(885)	(1,352)
Corporation tax paid		(843)	(239)
Net cash from operating activities		5,149	4,264
Cash flow from investing activities			
Proceeds from sale of tangible fixed assets		18	-
Net cash acquired with subsidiaries		-	1,317
Payments to acquire businesses	3	-	(12,856)
Acquisition of tangible fixed assets	13	(638)	(1,424)
Acquisition of other intangible assets	12	(15)	-
		(635)	
Net cash from investing activities			(12,963)
Cash flows from financing activities			
Interest paid		(3,012)	(1,436)
Net of loans taken out/(paid)		(200)	13,951
Net cash from financing activities		(3,212)	12,515
Net increase in cash and cash equivalents		1,302	3,816
Cash and cash equivalents at beginning of year		6,115	2,299
Cash and cash equivalents at end of year	16	7,417	6,115

Analysis of changes in net debt

	At 1 Jan 2020 £'000	Cash flows £'000	Non-cash movement £'000	At 31 Dec 2020 £'000
Cash and cash equivalents	6,115	1,302	-	7,417
Borrowings excluding overdrafts	(66,979)	200	(3,554)	(70,333)
	(60,864)	1,502	(3,554)	(62,916)

The notes on pages 19 to 39 form part of these financial statements.

Notes to the financial statements

1 Principal accounting policies

1.1 General information

Just Childcare Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. Its registered address is Ridgway House, Progress Way, Denton, Manchester, M34 2GP.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

1.3 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The Consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their provisional fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the Group continues to recognise a capital reserve which arose on a past business combination that was accounted for as an acquisition in accordance with UK GAAP as applied at that time.

1.4 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's report and the Strategic report.

Notes to the financial statements

1 Principal accounting policies (continued)

1.5 Going concern (continued)

The Group has prepared forecasts and projections for a period in excess of 12 months following the approval of these financial statements. In addition, the Directors have obtained assurances from their parent company that they will not seek repayment of the intercompany debt during the next 12 months following the approval of these financial statements.

The Group has reviewed its forecasts in the light of the Coronavirus pandemic including sensitivity testing of future potential lockdowns, the impact on the Group's operational performance and the continued need and demand for quality childcare as demonstrated through demand in the second lockdown.

The directors have considered the going concern assumption in the light of the foregoing and have concluded that there is a reasonable expectation that the company and the group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.6 Revenue

Revenue represents amounts chargeable in respect of the provision of pre-school education. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises of childcare provided to customers during the period and is recognised in the month the childcare is provided. Revenue is received from customers' paying fees and from Local Authorities for the provision of Early Years Funding. Early Years Funding received is in relation to childcare provided to all children in the term after they turn three years old until they begin school and qualifying two-year-olds.

1.7 Other operating income

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. Furlough income, which is a grant awarded by the government, is recognised in income in the periods in which the company recognises the related costs for which the grant is intended to compensate.

Notes to the financial statements

1 Principal accounting policies (continued)

1.8 Intangible assets and amortisation

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

Other intangibles

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised from the date they are available in use. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets as follows:

- Software - 5 years straight line

Notes to the financial statements

1 Principal accounting policies (continued)

1.9 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight-line basis. Land is not depreciated

Depreciation is provided on the following basis:

• Land and buildings	-	10 - 50 years
• Fixtures and fittings	-	3 – 5 years
• Motor vehicles	-	4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administration expense' in the consolidated statement of comprehensive income.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

1 Principal accounting policies (continued)

1.14 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

1 Principal accounting policies (continued)

1.15 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

1.17 Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Notes to the financial statements

1 Principal accounting policies (continued)

1.19 Operating leases: lessees

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.21 Exceptional costs

Exceptional items are transactions that fall within the ordinary activities of the Group but are excluded from the Group's adjusted EBITDA due to their size and/or one-off nature.

Notes to the financial statements

2 Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements in conformity with general accepted accounting policies requires the directors to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates.

In this regard, the directors believe that the critical accounting policies where judgments or estimates are necessarily applied are summarised below:

Useful economic life of tangible fixed assets

The useful economic life and expected residual value of tangible fixed assets is assessed based on the class of asset/category. The average age of the assets are assessed at the end of the reporting period, in conjunction with the impairment review, to determine whether the estimates are still appropriate.

Useful economic life of intangible fixed assets

The estimated useful economic life of intangible fixed assets is assessed at the point of acquisition. This is reviewed at the end of the reporting period, in conjunction with the impairment review, to determine whether the estimates are still appropriate.

Impairment of intangible & tangible fixed assets

At the end of the reporting period, management undertake an assessment of the net book values of intangible and tangible fixed assets, based upon their knowledge of the CGU's and the condition of the tangible assets. Where necessary, an impairment is recognised in the profit or loss account.

Notes to the financial statements

3 Turnover

Group	2020 £'000	2019 £'000
Analysis of turnover by class of business is as follows:		
Childcare services	<u>26,869</u>	<u>28,425</u>
All services were provided in the UK.		
	2020 £'000	2019 £'000
Turnover in the year is split as follows:		
Continuing activities	26,869	25,370
Acquisitions	<u>-</u>	<u>3,055</u>
	<u>26,869</u>	<u>28,425</u>

4 Other operating income

	2020 £'000	2019 £'000
Government grants received	<u>3,090</u>	<u>-</u>

Grants received under the Government Coronavirus Job Retention Scheme.

5 Operating profit

Group

The operating profit is stated after charging:

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets	994	927
Amortisation of intangible assets, including goodwill	3,574	3,137
Other operating lease rentals - property and other equipment	775	764

The operating profit is split as follows

	2020 £'000	2019 £'000
Continuing activities	2,306	(92)
Acquisitions	<u>-</u>	<u>587</u>
	<u>2,306</u>	<u>495</u>

Notes to the financial statements

6 Interest payable and similar charges

	2020 £'000	2019 £'000
Group		
Bank interest payable	3,554	1,349
Loan note interest payable	3,012	3,199
	<u>6,566</u>	<u>4,548</u>

7 Employees

Group

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

	No of Employees 2020	No of Employees 2019
Nursery staff	1,173	1,085
Head office staff	40	46
	<u>1,213</u>	<u>1,131</u>

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	16,844	15,610
Social security costs	973	959
Other pension costs	339	328
	<u>18,156</u>	<u>16,897</u>

Company

The Company had no employees during 2020 or 2019.

Key Management Personnel

Key management personnel are defined as the directors and the senior management team of the Group.

The total emoluments of Key Management Personnel (salaries, wages, benefits in kind, pension costs and employers' national insurance) were £633,016 in relation to 4 full time equivalent employees (2019: £585,504 in relation to 4 employees).

Notes to the financial statements

8 Directors' remuneration

Group	2020 £'000	2019 £'000
Directors' remuneration	321	362
Company pension contributions	7	10
	<u>328</u>	<u>372</u>

Highest paid director

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £176,000 (2019: £168,000), and company pension contributions of £nil (2019: £nil) were made on his behalf.

9 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8</u>	<u>8</u>

Fees payable to the Company's auditor and its associates in respect of:

Statutory audit of subsidiary undertakings	58	70
iXBRL tagging	9	6
Taxation advisory services	25	20
Taxation compliance services	<u>25</u>	<u>38</u>
	<u>117</u>	<u>142</u>

Notes to the financial statements

10 Taxation

	2020 £'000	2019 £'000
Corporation tax		
Current tax on losses for the year	563	484
Adjustments in respect of previous periods	92	3
	<u>655</u>	<u>487</u>
Deferred tax (note 19)		
Current period	(264)	80
Adjustments in respect of previous periods	19	(3)
	<u>(245)</u>	<u>77</u>
Total current tax	<u>410</u>	<u>564</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19 % (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	<u>(4,260)</u>	<u>(4,053)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%).	(809)	(770)
Effects of:		
Expenses not deductible for tax purposes	585	41
Fixed asset differences	816	633
Capital gain		313
Deferred tax transferred from subsidiary		(247)
Adjustments to tax charge in respect of prior periods	111	-
Other tax adjustments, reliefs and transfers leading to an increase (decrease) in the tax charge	(15)	(19)
Adjust opening and closing deferred tax to average rate	(222)	2
Deferred tax not recognised	<u>(55)</u>	<u>611</u>
Total tax charge for the year	<u>410</u>	<u>564</u>

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects are included in these financial statements.

Notes to the financial statements

11 Exceptional items

Group

	2020 £'000	2019 £'000
Re-financing costs	-	289
COVID19 - related costs	119	-
Other	60	185
	179	474

12 Intangible assets and goodwill

Group	Goodwill £'000	Other Intangible £'000	Total £'000
Cost			
At 1 January 2020	35,743	273	36,016
Additions	-	15	15
Balance at 31 December 2020	35,743	288	36,031
Amortisation and impairment			
At 1 January 2020	7,393	264	7,657
Amortisation for the year	3,554	20	3,574
Balance at 31 December 2020	10,947	284	11,231
Net book value			
At 31 December 2020	24,796	4	24,800
At 31 December 2019	28,350	9	28,359

Notes to the financial statements

13 Tangible fixed assets

Group

	Land and Buildings £000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 January 2020	21,499	2,310	462	24,271
Additions	453	154	31	638
Disposals	-	-	(18)	(18)
Balance at 31 December 2020	21,952	2,464	475	24,891
Depreciation				
At 1 January 2020	2,053	1,749	363	4,165
Disposals	-	-	(17)	(17)
Charge for the year	652	303	39	994
Balance at 31 December 2020	2,705	2,052	385	5,142
Net book value				
At 31 December 2020	19,247	412	90	19,749
At 31 December 2019	19,446	561	99	20,106

14 Fixed asset investments

Company	Investments £000
Cost	
At 1 January and 31 December 2020	58
Provisions	
At 1 January and 31 December 2020	-
Net book value	
At 31 December 2019 and 31 December 2020	58

Notes to the financial statements

14 Fixed asset investments (continued)

The company has the following investments in subsidiaries:

Subsidiary undertaking	Principal Activity	Country of Incorporation	Class of Shares Held	Holding
Project Play Midco 1 Limited ^a	Holding company	UK	Ordinary	100%
Project Play Midco 2 Limited [*]	Holding company	UK	Ordinary	100%
Just Childcare Consultancy Services Limited ^{*a}	Holding company	UK	Ordinary	100%
Just Childcare Limited [*]	Nursery Services	UK	Ordinary	100%
Kids Corner Nursery & Pre-School Limited ^{*a}	Dormant	UK	Ordinary	100%
Giggles of Lytham (Day Nursery) Limited ^{*a}	Dormant	UK	Ordinary	100%
Park Wood Day Nurseries Limited ^{*a}	Dormant	UK	Ordinary	100%
Chicken Run Limited "Big Picture" ^{*a}	Dormant	UK	Ordinary	100%
Cherubs Day Nursery (Sale) Limited ^{*a}	Dormant	UK	Ordinary	100%
Marjorie Monk Limited "The Hollies" ^{*a}	Dormant	UK	Ordinary	100%
Acorns in Adel Limited ^{*a}	Dormant	UK	Ordinary	100%
Lytham Academy FC Limited ^{*a}	Dormant	UK	Ordinary	100%
FCCC Holdings Limited ^{*a}	Holding company	UK	Ordinary	100%
First Class Child Care Limited ^{*a}	Nursery Services	UK	Ordinary	100%
Cherubs Holdings Limited ^{*a}	Holding company	UK	Ordinary	100%
Woodlands Park Day Nursery Limited ^{*a}	Dormant	UK	Ordinary	100%
Little Manor Day Nursery Limited ^{*a}	Dormant	UK	Ordinary	100%
Ladybirds Private Day Nursery Limited ^{*a}	Dormant	UK	Ordinary	100%
Brambley Hedge Nursery Limited ^{*a}	Dormant	UK	Ordinary	100%
Buttons and Bows Limited ^{*a}	Dormant	UK	Ordinary	100%
Playdays Daycare Nursery Ltd ^{*a}	Nursery Services	UK	Ordinary	100%
Abbeywood Tots Day Nursery Ltd ^{*a}	Nursery Services	UK	Ordinary	100%
Magellan Holdings Limited ^{*a}	Holding company	UK	Ordinary	100%
Primley Park Children's Nurseries Limited ^{*a}	Nursery Services	UK	Ordinary	100%
100 Acre Wood Limited ^{*a}	Nursery Services	UK	Ordinary	100%
Little Acorns (South West) Limited ^{*a}	Nursery Services	UK	Ordinary	100%
Kiddy Factory Limited ^{*a}	Nursery Services	UK	Ordinary	100%
Kiddy Factory Rentals Limited ^{*a}	Property Rental	UK	Ordinary	100%
Funcare Limited ^{*a}	Nursery Services	UK	Ordinary	100%
Small World Day Nursery Limited ^{*a}	Dormant	UK	Ordinary	100%
JWDW Limited ^{*a}	Dormant	UK	Ordinary	100%
Wirral Nurseries Limited ^{*a}	Nursery Services	UK	Ordinary	100%
Safehands Day Nursery Limited ^{*a}	Nursery Services	UK	Ordinary	100%

^{*}indirectly held subsidiary undertaking

^aCompanies that are entitled to and have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Notes to the financial statements

14 Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2020 and of the profit and loss for the year end on that date for the material subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £'000	Profit/ (loss) £'000
Project Play Midco 1 Limited	(12,391)	(2,592)
Project Play Midco 2 Limited	52	(6)
Just Childcare Consultancy Limited	(2,592)	(475)
Just Childcare Limited	(10,993)	(2,836)
Kids Corner Nursery & Pre-School Limited	278	-
Giggles of Lytham (Day Nursery) Limited	53	-
Park Wood Day Nurseries Limited	70	-
Chicken Run Limited	660	-
Cherubs Day Nursery (Sale) Limited	48	-
Marjorie Monk Limited	10	-
Acorns in Adel Limited	103	-
Lytham Academy FC Limited	-	-
FCCC Holdings Limited	3,153	-
First Class Childcare Limited	1,843	683
Cherubs Holdings Limited	(195)	-
Woodlands Park Day Nursery Limited	256	-
Little Manor Limited	-	-
Ladybirds Private Day Nursery Limited	(21)	-
Brambley Hedge Nursery Limited	231	-
Buttons and Bows Limited	(23)	-
Playdays Daycare Nursery Ltd	363	110
Abbeywood Tots Day Nursery Ltd	2,354	909
Magellan Holdings Limited	78	1
Primley Park Children's Nurseries Limited	1,883	760
100 Acre Wood Limited	305	140
Little Acorns (South West) Limited	1,504	570
Kiddy Factory Limited	167	4
Kiddy Factory Rentals Limited	216	50
Funcare Limited	895	179
Small World Day Nursery Limited	338	-
JWDW Limited	1,319	-
Wirral Nurseries Limited	121	220
Safehands Day Nursery Limited	348	144

Notes to the financial statements

15 Debtors

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Trade debtors	361	-	321	-
Amounts owned by group undertakings	-	99	-	98
Prepayments and accrued income	518	73	507	71
Other debtors	58	-	129	-
	937	172	957	169

16 Cash and cash equivalents

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Cash at bank in hand	7,417	-	6,115	-

17 Creditors: amounts falling due within one year

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Trade creditors	552	-	491	-
Other creditors	3,678	-	5,119	-
Taxation and social security	268	-	217	-
Accruals and deferred income	2,044	-	1,601	-
Unsecured loan notes	-	-	2,500	-
Corporation tax	631	1	818	1
Obligations under finance lease contracts	-	-	-	-
	7,173	1	10,746	1

Notes to the financial statements

18 Creditors: amounts falling due after more than one year

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Bank loans	37,826	-	34,985	-
Unsecured loan notes	32,507	-	29,494	-
	70,333	-	64,479	-

Loan notes are redeemable in 2024 and incur interest at 10% per annum. In October 2019, a refinancing took place whereby a new bank loan facility was entered into, with some of the proceeds being utilised to repay the existing bank debt and £7.5m of the temporary loan notes. The new bank facility has a Senior Secured Loan and a Rolling Credit Facility on which the interest rate is LIBOR plus 2.5% a Unitranche and an Acquisition Facility on which the interest is LIBOR plus 7%. The Senior Secured Loan and Rolling Credit Facility are repayable in October 2025 and the Unitranche and Acquisition Facility loans are repayable in October 2026.

£27.1m of the loan notes are held by Phoenix Equity Nominees Limited which is a related party due to common ownership. Of the remaining £4.9m of the loan notes, £3.6m, £1.2m and £0.1m are held by D W Johnson, J A Johnson and V Murray respectively, who are all directors of the company.

All borrowing costs are capitalised in the year that the loan was obtained and amortised pro rata over the period of the loan, the amortisation charge is recognised in the Statement of comprehensive income for each financial year. As at 31 December 2020 £2,224k (2019: £2,785k) was netted off the bank loans value.

Analysis of the maturity of loans is given below:

	2020 £'000	2019 £'000
Amounts falling due within 12 months		
Loan notes	-	2,500
Amounts falling due 2-5 years		
Bank loans	7,500	-
Amounts falling due over 5 years		
Loan notes	32,507	29,494
Bank loans	30,326	34,985
	70,333	64,479

Post balance sheet, on 2nd June 2021, the loan notes and bank loans were redeemed in full and replaced with an intercompany loan between Just Childcare Holdings Limited, Just Childcare Limited and Partou UK Bidco Limited of £72,177,695, with an interest rate of 7.5% per annum.

Notes to the financial statements

19 Deferred tax provision

	Group £'000s	Company £000's
At 1 January 2020	385	14
On acquisition	-	286
Other	-	8
(Credit)/ charge for the year	(245)	77
At 31 December 2020	140	385

The provision for deferred tax consists of the following deferred tax liabilities:

	2020 £'000s	2019 £000's
Fixed asset timing differences	226	123
Short term timing differences	(42)	15
Capital gains	276	247
Losses and other deductions	(320)	-
	140	385

20 Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and are detailed at note 7. Contributions totalling £80,348 (2019: £183,140) were payable to the fund at the reporting date and were included in Other creditors.

21 Share capital

Group and Company

	2020 £	2019 £
Allotted called up and fully paid shares		
12,631,446 A shares of £0.01 each	126,314	126,314
1,940,000 A2 shares of £0.00001 each	19	19
2,908,554 B shares of £0.01 each	29,085	29,085
1,800,000 C shares of £0.01 each	18,000	18,000
8,100 D shares of £1 each	8,100	8,100
	181,518	181,518

Share rights and obligations

A, A2, B and C Shares

Shareholders have the right to receive notice of, and to attend and speak, at any general meeting and on written resolution, each shareholder shall have one vote in respect of each share held. A, A2, B and C shareholders are entitled to a dividend if the Group elects such a distribution.

Notes to the financial statements

21 Share Capital (continued)

D Shares

D shareholders have the right to receive notice of, and to attend and speak, at any general meeting and on written resolution, each shareholder shall have 100 votes in respect of each D Ordinary share held. D shareholders are not entitled to receive any dividend declared.

For all shareholders on a return of capital, the surplus of assets after the payment of liabilities are available for distribution among the members in accordance with article number 12.2 of the Articles of Association.

22 Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Share capital

Represents the nominal value of shares that have been issued.

Share premium

Represents the value above par paid for the shares that have been issued.

23 Financial instruments

	2020 £'000	2019 £'000
Financial assets		
Financial assets measured at amortised cost	7,838	6,565
Financial liabilities		
Financial liabilities measured at amortised cost	76,607	74,190

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, finance leases, other creditors, accruals and deferred income, bank loans and unsecured loan notes.

24 Commitments under operating leases

As 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £'000	2019 £'000
Buildings		
Not later than 1 year	742	594
Later than 1 year and not later than 5 years	2,022	1,943
Later than 5 years	2,319	2,167
	<u>5,083</u>	<u>4,704</u>
Other		
Not later than 1 year	13	42
Later than 1 year and not later than 5 years	9	38
	<u>22</u>	<u>80</u>

Notes to the financial statements

25 Other financial commitments

There were no other financial commitments as at 31 December 2020. National Westminster Bank PLC have been provided with first legal charge over all of the assets in the Group.

26 Related party transactions

The company has taken advantage of the exemption provided by Section 33 of FRS 102 'related party disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is a wholly owned member of that group.

27 Post balance sheet events

On 2nd June 2021 the entire share capital of Just Childcare Holdings Limited were acquired by Partou UK Bidco Limited, a company established by the leading Dutch nursery group, Kids Foundation/ Partou. The ultimate parent body of the group is now is Orange Topco B.V registered in Amsterdam.

As part of the acquisition the loan notes and bank debt were redeemed and replaced with intercompany debt of £72,177,695. Interest is charged by Partou UK Bidco Limited at 7.5% per annum.

On 31st March 2021 the Group acquired the entire share capital of The Village Day Nursery Limited for an initial consideration of £920,000. On 30th April 2021 the Group acquired the entire share capital of Pebbles Nursery Limited for an initial consideration of £945,000.

28 Ultimate parent company and parent company of larger group

The immediate parent of the company is Partou UK Bidco Limited, a company registered in England and Wales (registration number: 13360032). The registered address of Partou UK Bidco Limited is Ridgway House, Progress Way, Denton, Manchester, M34 2GP.

The ultimate parent company is Orange Topco B.V registered in Amsterdam. The registered address of Orange Topco B.V is address Sportlaan 1, 4131NN Vianen, Netherlands. Number: 72236256