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# **BACK TO THE GARDEN CHILDCARE LIMITED**

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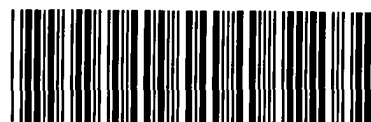
**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MARCH 2021**

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BACK TO THE GARDEN CHILDCARE LIMITED

COMPANY INFORMATION

|                   |  |
|-------------------|--|
| Directors         | D R Foran<br>C A McGoff<br>S W Pickering   |
| Registered number | 10690720   |
| Registered office | 1 St. Georges Court<br>Altrincham Business Park<br>Altrincham<br>Cheshire<br>WA14 5UA                |
| Accountants       | Grant Thornton UK LLP<br>Chartered Accountants<br>Royal Liver Building<br>Liverpool<br>L3 1PS        |
| Bankers           | Royal Bank of Scotland<br>4 The Downs<br>Altrincham<br>Cheshire<br>WA14 2PY                          |
| Solicitors        | Beyond Corporate Limited<br>3rd Floor<br>Castlefield House<br>Liverpool Road<br>Manchester<br>M3 4SB |

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**Report to the directors on the preparation of the unaudited statutory financial statements of Back To The Garden Childcare Limited for the year ended 31 March 2021**

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We have compiled the accompanying financial statements of Back To The Garden Childcare Limited (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of Back To The Garden Childcare Limited as at 31 March 2021 and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with 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). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com](http://www.icaew.com).

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 6 October 2021. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's directors, as a body, in this report in accordance with our engagement letter dated 6 October 2021. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**  
Chartered Accountants  
Liverpool

Date: 26/11/2021

**BACK TO THE GARDEN CHILDCARE LIMITED**  
**REGISTERED NUMBER:10690720**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

|   | Note | 2021<br>£     | 2021<br>£        | 2020<br>£      | 2020<br>£        |
|---|------|---------------|------------------|----------------|------------------|
| <b>Fixed assets</b>                                     |      |               |                  |                |                  |
| Tangible assets   | 4    |               | 2,242,039        |                | 2,284,516        |
| <b>Current assets</b>                                   |      |               |                  |                |                  |
| Stocks  |      | 4,887         |                  | 8,912          |                  |
| Debtors: amounts falling due within one year            | 5    | 24,642        |                  | 57,373         |                  |
| Cash at bank and in hand                                |      | 3,994         |                  | 57,242         |                  |
|   |      | <u>33,523</u> |                  | <u>123,527</u> |                  |
| Creditors: amounts falling due within one year          | 6    | (542,724)     |                  | (483,884)      |                  |
| <b>Net current liabilities</b>                          |      |               | <u>(509,201)</u> |                | <u>(360,357)</u> |
| <b>Total assets less current liabilities</b>            |      |               | <u>1,732,838</u> |                | <u>1,924,159</u> |
| Creditors: amounts falling due after more than one year | 7    |               | (2,591,764)      |                | (2,546,764)      |
| <b>Net liabilities</b>                                  |      |               | <u>(858,926)</u> |                | <u>(622,605)</u> |
| <b>Capital and reserves</b>                             |      |               |                  |                |                  |
| Called up share capital                                 |      |               | 1                |                | 1                |
| Profit and loss account                                 |      |               | (858,927)        |                | (622,606)        |
| <b>Shareholders' deficit</b>                            |      |               | <u>(858,926)</u> |                | <u>(622,605)</u> |

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**BACK TO THE GARDEN CHILDCARE LIMITED**  
**REGISTERED NUMBER:10690720**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Dave Foran*

D R Foran  
Director

Date: 26/11/2021

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**BACK TO THE GARDEN CHILDCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

The company is a private company limited by shares and is registered in England and Wales.

Registered number: 10690720.

Registered office: 1 St. Georges Court, Altrincham Business Park, Altrincham, Cheshire, WA14 5UA.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

Notwithstanding the loss for the year and the net current liabilities and net liabilities on the statement of financial position at 31 March 2021, the financial statements have been prepared on the going concern basis on the understanding that the company will continue to be supported by its related investor groups.

The company obtained a loan in the amount of £2.5m for the purpose of funding the development of the asset under construction, which was repayable in April 2021. The parent company has agreed to a loan extension, the loan is now due for repayment in full in April 2022.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

Childcare fee income is recognised in the period in which the nursery has provided the childcare and recognised at the point the service has been provided.

**2.4 Grant income**

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure. Where applicable, grants have been deferred and included within creditors as deferred income so as to be recognised in the correct period.

**2.5 Finance costs**

Finance costs are charged to profit or loss 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.6 Pensions****Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.7 Taxation**

Tax is recognised in profit or loss except that a charge 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

**2.8 Tangible fixed assets**

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.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.8 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

|                       |                   |
|-----------------------|-------------------|
| Freehold land         | - Not depreciated |
| Freehold buildings    | - 2%              |
| Plant and machinery   | - 25%             |
| Fixtures and fittings | - 25%             |
| Office equipment      | - 25%             |
| Computer equipment    | - 25%             |

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 in profit or loss.

**2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

**2.10 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.

**2.11 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.

**2.12 Creditors**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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 profit and loss account.

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.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

**2.14 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

**3. Employees**

The directors did not receive any remuneration during the current or previous year.

The average monthly number of employees, including directors, during the year was 30 (2020 - 20).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**4. Tangible fixed assets**

|  | Freehold<br>land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and fittings<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£       |
|--|--|-----------------------------|-------------------------------|--------------------------|----------------------------|------------------|
| <b>Cost</b>                            |  |                             |                               |                          |                            |                  |
| At 1 April 2020                        | 2,335,541                              | 492                         | 11,902                        | 1,962                    | 7,603                      | 2,357,500        |
| Additions                              | (966)                                  | -                           | 269                           | 3,383                    | 938                        | 3,624            |
| At 31 March 2021                       | <u>2,334,575</u>                       | <u>492</u>                  | <u>12,171</u>                 | <u>5,345</u>             | <u>8,541</u>               | <u>2,361,124</u> |
| <b>Depreciation</b>                    |  |                             |                               |                          |                            |                  |
| At 1 April 2020                        | 68,006                                 | 82                          | 1,377                         | 679                      | 2,840                      | 72,984           |
| Charge for the year on<br>owned assets | 40,752                                 | 123                         | 2,987                         | 868                      | 1,371                      | 46,101           |
| At 31 March 2021                       | <u>108,758</u>                         | <u>205</u>                  | <u>4,364</u>                  | <u>1,547</u>             | <u>4,211</u>               | <u>119,085</u>   |
| <b>Net book value</b>                  |  |                             |                               |                          |                            |                  |
| At 31 March 2021                       | <u>2,225,817</u>                       | <u>287</u>                  | <u>7,807</u>                  | <u>3,798</u>             | <u>4,330</u>               | <u>2,242,039</u> |
| At 31 March 2020                       | <u>2,267,535</u>                       | <u>410</u>                  | <u>10,525</u>                 | <u>1,283</u>             | <u>4,763</u>               | <u>2,284,516</u> |

Freehold land and buildings includes capitalised finance costs of £245,259 (2020: £245,259).

Freehold land and buildings includes land amounting to £295,359 (2020: £295,359) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. Debtors**

|                                  | <b>2021</b>   | <b>2020</b>   |
|----------------------------------|---------------|---------------|
|                                  | <b>£</b>      | <b>£</b>      |
| Trade debtors                    | <b>5,859</b>  | <b>13,131</b> |
| Amounts owed by related parties  | <b>6,060</b>  | <b>4,050</b>  |
| Other debtors                    | <b>6,150</b>  | <b>3,664</b>  |
| Called up share capital not paid | <b>1</b>      | <b>1</b>      |
| Prepayments and accrued income   | <b>6,572</b>  | <b>36,527</b> |
|                                  | <b>24,642</b> | <b>57,373</b> |

**6. Creditors: Amounts falling due within one year**

|                                    | <b>2021</b>    | <b>2020</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>£</b>       | <b>£</b>       |
| Other loan                         | <b>5,000</b>   | <b>-</b>       |
| Trade creditors                    | <b>9,304</b>   | <b>42,976</b>  |
| Amounts owed to group undertakings | <b>90,665</b>  | <b>15,111</b>  |
| Amounts owed to related parties    | <b>396,044</b> | <b>337,000</b> |
| Other taxation and social security | <b>10,814</b>  | <b>5,110</b>   |
| Other creditors                    | <b>5,760</b>   | <b>10,688</b>  |
| Accruals and deferred income       | <b>25,137</b>  | <b>72,999</b>  |
|                                    | <b>542,724</b> | <b>483,884</b> |

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**BACK TO THE GARDEN CHILDCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**7. Creditors: Amounts falling due after more than one year**

|             | 2021<br>£        | 2020<br>£        |
|-------------|------------------|------------------|
| Other loans | <u>2,591,764</u> | <u>2,546,764</u> |

The other loan of £45,000 (2020: £Nil) is unsecured, interest is fixed at 2.5% per annum, the term of the loan is 6 years with the first repayment due in October 2021.

The other loan of £2,546,764 (2020: £2,546,764) is secured against the property. During the previous year the company breached the financial covenants attached to the loan, however an agreement was reached with the lender to waive the covenants and to extend the repayment date of the loan to April 2022. Interest is being charged at 8% per annum on a portion of the balance.

The aggregate amount of liabilities repayable wholly or in part more than five years after the reporting date is:

|                          | 2021<br>£    | 2020<br>£ |
|--------------------------|--------------|-----------|
| Repayable by instalments | <u>5,000</u> | <u>-</u>  |

**8. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £9,440 (2020: £7,103). Included within other creditors are pension costs of £2,160 (2020: £1,387) which were paid post year end.

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**BACK TO THE GARDEN CHILDCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**9. Related party transactions****Applebarn Nurseries Limited:**

Included within other loans is £2,546,764 (2020: £2,546,764) which was owed to Applebarn Nurseries Limited. Interest is being charged at 8% per annum on a portion of the total loan and amounted to £181,323 (2020: £181,332) for the year of which £181,323 (2020: £181,232) has been included within other loan interest payable. The other loan was initially due for repayment in full in April 2021, however it was agreed to extend the repayment date. The loan is now due to be repaid in full in April 2022. The loan extension fee of £23,000 (2020: £Nil) is included within other loan interest payable.

Included within amounts owed to group undertakings is £90,665 (2020: £15,111) owed to Applebarn Nurseries Limited for services rendered during the year. The companies are related as Applebarn Nurseries Limited has full control over Back to the Garden Childcare Limited.

**Applebarn Investco Limited:**

Included within amounts owed by related parties is £6,060 (2020: £4,050) which is owed to Back To The Garden Childcare Limited from Applebarn Investco Limited in relation to transactions paid for by Back To The Garden Childcare Limited on behalf of Applebarn Investco Limited. Applebarn Investco Limited owns 51% of the shares in Applebarn Nurseries Limited, the ultimate controlling party of Back To The Garden Childcare Limited. This is interest free and repayable upon demand.

**New Care Corporate Limited:**

Included within amounts owed to related parties within creditors due in less than one year is £396,044 (2020: £337,000) owed to New Care Corporate Limited, a related party by way of common ownership. This balance is unsecured, interest free and has no fixed repayment date.

Included within trade creditors is £417 (2020: £Nil) owed to New Care Corporate Limited.

**10. Controlling party**

Applebarn Nurseries Limited is the company's ultimate parent undertaking and controlling party by virtue of its 100% shareholding. Applebarn Nurseries Limited was incorporated in England and Wales and its registered office address and place of business is 1 St. Georges Court, Altrincham Business Park, Altrincham, United Kingdom, WA14 5UA.

The ultimate controlling parties are Puma VCT 11 Plc by virtue of a 17% shareholding, Puma VCT 12 Plc by virtue of a 32% shareholding and Applebarn Investco Limited by virtue of a 51% shareholding of Applebarn Nurseries Limited.