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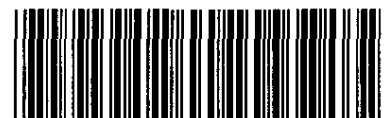
THE OLD STATION NURSERY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



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THE OLD STATION NURSERY LIMITED

COMPANY INFORMATION

Directors	Sarah Jane Steel Sylvain Forestier
Company secretary	Higgs Secretarial Limited
Registered number	04430168
Registered office	The Old Railway Station The Old Station Nursery 7 Park Road Faringdon Oxfordshire SN7 7BP
Independent auditors	The MGroup Partnership Cranbrook House 287-291 Banbury Road Oxford OX2 7JQ

THE OLD STATION NURSERY LIMITED

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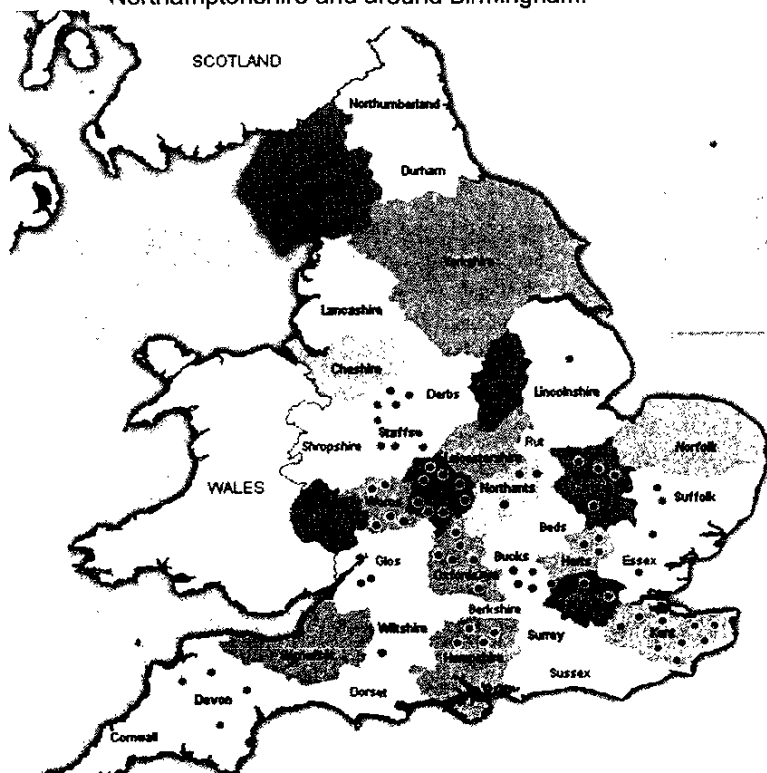
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The Old Station Nursery at a glance

The Old Station Nursery Group was established in 2002 when we opened our very first nursery. The business joined larger nursery group, La Maison Bleue, in 2019. Founded in 2004 by Sylvain Forestier and Antonia Ryckbosch, La Maison Bleue has seen great expansion over the past few years and become one of the largest nursery groups in Europe. La Maison Bleue is one of the leading childcare providers in Switzerland, France and Luxembourg.

The Old Station Nursery Group has grown considerably since joining La Maison Bleue. Named the 19th largest nursery group in the UK in March 2021 (Nursery Chains League), the Group has since moved up the ranks considerably to 12th position in March 2022. The Group continue to have strong ambitions to expand further in the coming years and to be within the very top largest groups within the UK.

Most of the nurseries within the Group offer all year-round care for 0–5-year-olds, with many also offering an out of school and holiday club provision in addition. The nurseries within the Group are tactically distributed in small clusters, notably in Oxfordshire, Cambridgeshire, Northamptonshire and around Birmingham.



71 Nurseries

We are committed to providing
high-quality childcare across
England and the UK.



**4,744 Childcare
Places Available**

— *Journal of the American Medical Association*, 1964, 191: 1001-1002.



**12th Largest Nursery
Group in the UK**

The 2nd Station Barrow has gone from the 10th largest variety group to be 13th of 20 to the 12th of 20.

Group Names

- 2001
 - Barbers
 - Chickchows
 - Little Rove
 - My First Friends
 - Pinkies
 - Sixtyth

Locations

- Birmingham
- Buckinghamshire
- Cambridgeshire
- Essex
- Gloucestershire
- Hertfordshire
- Kent
- Lincolnshire
- Devon
- Hampshire
- Middlesex
- Northamptonshire
- Oxfordshire
- South London
- Staffordshire
- Suffolk
- Warwickshire
- Wiltshire
- Worcestershire

THE OLD STATION NURSERY LIMITED

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Vision, Mission and Values

At The Old Station Nursery Group, we have four core values that represent what is most important to us and what we believe in. These are: children, our people, our parents and learning.

Children



We understand that each child is unique and special, bringing their own set of qualities; we support, respect, listen and respond to our children.

Our people



Our people make a real difference; we support, coach and mentor each other so that our people can continue to innovate, nurture and inspire. Our people strive to be the best they can be through continuous professional development and ongoing evaluation and reflection. We take care of our people and ensure they have a voice because we understand that our people are the pathway to success.

Learning



We understand that play is integral to learning and that our children learn through play, exploration, and discovery. We support our children to learn and ensure that they have a voice because we understand that our children are the pathway to success.

Our parents



Relationships with our families matter; through effective partnerships and strong communication, we unite our early years expertise with our families expert knowledge of their own children; to strive for the very best outcomes for all children.

Through our four core values, as a group, we have established our vision of **Creating Brighter Futures Together**, for our children, families and people. We create brighter futures for our children, through our bespoke learning, close parent partnerships and our collaborative teams; and we create brighter futures for our people by continuously supporting, coaching and mentoring one another.

THE OLD STATION NURSERY LIMITED



CEO Report

2021 was a busy year for The Old Station Nursery Group, with the Group acquiring a number of nurseries and increasing in size by more than 70%; however, our primary aim remained consistent throughout which was to continue to provide first class childcare to all children and support to all families.

The effects of the COVID-19 pandemic continued throughout 2021 with many nurseries experiencing small break outs of the virus. As a result, settings were forced to close a number of rooms in order to avoid further spread; or turn children away due to staff shortages. Despite the ongoing effects of the pandemic, most nurseries have recovered and have seen a strong increase in numbers, with FTE growing throughout the year. As a group, we are extremely proud of the recovery we have seen within the nurseries which is a result of the hard work and dedication the teams have shown throughout the pandemic.

In addition, towards the end of 2021, the Early Years sector faced extreme staff shortages. With many staff leaving the sector for a number of reasons, nurseries have seen further challenges in ensuring that they have the correct ratio of qualified staff members to safely operate the settings. As a result, we have undertaken a series of ongoing actions to ensure we continue to attract qualified, experienced and passionate staff into the nurseries.

In January 2021, Bambino Day Nurseries, an exceptional group of three nurseries based in Northamptonshire, joined the Group. This was followed in March 2021 by the acquisition of Choochoos Day Nurseries and their three settings in Kent; with Choochoos nursery in Canterbury being the oldest nursery in Kent having first opened in 1960. My First Friends joined The Old Station Nursery Group in October 2021. This group of five nurseries, based in the West Midlands on the outskirts of Birmingham, opened its first nursery in Rubery in 2004. The Group now operates additional nurseries in Bromsgrove, Droitwich, Wyde Green and Malvern. In December 2021, The Old Station Nursery acquired three groups: Little Roos, which is a group of three nurseries located in Taplow, Marlow and High Wycombe; Sixpenny Day Nursery and Pre-School, which is a single site nursery in Wiltshire; and Polkadot Nurseries, which consists of eight settings in Warwickshire and Worcestershire. The number of staff whom we employ increased from 550 to just over 900 as a result of these acquisitions.

Additionally, in September 2021, The Old Station Nursery opened a brand new, purpose built, modern nursery in Houlton, near Rugby, providing much needed care and education for the area. The new build offers a 95-place setting which has already seen strong demand from local families, operating at around 80% capacity.



More than 70% expansion in 2021

Throughout 2021, the group saw significant expansion across the UK.



23 Acquired nurseries

The Old Station Nursery Group acquired 23 nurseries in 2021.



900 Employees

In 2021 our employees increased to 900 across The Old Station Nursery Group.

THE OLD STATION NURSERY LIMITED

the
old station
nursery



The group's financial performance in 2021 was strong and we saw a marked improvement on the prior year. This is a result of acquisitions completed in 2020 making a full year contribution in 2021 as well as acquisitions in 2021 making additional contributions. Moreover, 2021 also saw a recovery from the worst impacts of the pandemic which had closed nurseries for a period in 2020.

Throughout 2021, as a group, we placed emphasis on and worked hard to ensure that our staff team felt recognised and appreciated, ensuring that The Old Station Nursery Group is a great place to work. We implemented a number of initiatives to support our staff whilst at home and work, with a focus on physical and mental wellbeing.

In September 2021, we held our first ever Regional Conferences. This was a fantastic opportunity for us to bring all of our Nursery Managers, Area Teams and Head Office staff together; to thank everyone for their exceptionally hard work, especially throughout the pandemic, but also to plan for the future so that we can continue to be the very best at what we do.

We are committed to the continuous professional development of our teams. We encourage regular training and the building of knowledge and skills internally, through mentoring, coaching and access to a range of training resources. We also provide opportunities for training with external leading experts.

As a group, our strategy remains to grow, which will largely be done through acquisition when suitable opportunities arise. As of August 2022, we have already added an additional 18 settings to The Old Station Nursery, bringing the total number of nurseries within the Group to 71. In March 2022, we welcomed Townsend Montessori Nurseries and Good Manors Nurseries to the Group; followed by hdc nursery group and Catherine House Nurseries in August 2022.

We will continue to focus on our vision of 'Creating Brighter Futures Together' through our four core values of: Children, Staff, Parents and Learning. We are committed to providing first-class, high-quality childcare to all of the children at our nurseries; as well as providing support to all of our families. We will continue to focus on ensuring that The Old Station Nursery is a great place to work, with staff wellbeing being at the forefront.

My thanks to all of our staff for their dedication and resilience throughout the year. We understand that having the right people in our nurseries is vital. Our teams are the backbones of our nurseries and make us who we are. Like each nursery, our teams are truly unique and bring a wealth of experience, backgrounds and personalities together; but one thing remains consistent throughout our teams and that is *passionate and enthusiastic individuals who have a genuine love for children and provide quality childcare.*

THE OLD STATION NURSERY LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report of the Group and the parent company for the year ended 31 December 2021.

Business review and future developments

Revenue for the 12 months to 31 December 2021 was £20.2m compared to £8.2m in 2020. The increase was driven by the full year effect of the acquisitions of Small Friends Limited and Sunhill Daycare (Europe) Limited and the partial year revenues of the acquisitions of Bambino Limited, the ChooChoos nurseries business and My First Friends Holdings Limited made in 2021. The acquisitions of DR Arora Enterprises Limited, Sixpenny Limited and Polkadot Day Nurseries Limited were completed in December 2021 and did not contribute significantly to the results for the year.

Revenue also increased year on year with the impact of the COVID-19 pandemic not being as significant in 2021 as it had been in 2020 when nurseries were closed for a period from March to May 2020. In 2021 there were some closures of facilities, with local outbreaks of the virus as well as related staff shortages but overall nursery numbers showed a strong increase year on year.

During the period of the pandemic in 2020, the Group was able to partially offset the impact of the closure through government grant funding, making use of the government furlough scheme and a rates holiday.

The gross profit margin improved in 2021 to 30.7% from 15.6% in 2020 reflecting the easing of the pandemic restrictions in the year and nurseries running at a fuller capacity through the year. EBITDA increased to £2.3m from £0.2m reflecting the increased gross profit but offset to some extent by increased administration costs associated with the enlarged business and strategic growth initiatives. EBITDA margin was 12.1% in 2021 compared to 3.0% in 2020. After taking account of goodwill amortisation and depreciation the operating loss for the year was £1.6m compared to £2.7m in 2020.

The net loss before tax and after interest paid on loans from the parent and other financing was £3.3m in 2021 compared to £3.5m in 2020. Interest paid on parent company loans increased in line with the increases in loans in the period, which were used to drive the acquisition strategy of the Group.

Operating cash flow before tax payments was consistent with EBITDA as nursery income is generally received in or slightly before the month in which it is due and there are no significant net timing differences on expenditure.

The investment spend on acquisition of new businesses in 2021 was just over £20m, financed by loans from the parent company, La Maison Bleue Group. There was also additional investment in building improvements, fixtures and equipment in 2021 with capital spend on facilities, including new facilities, increasing by 34% compared to the prior year.

The Group has continued to pursue its strategy of growth through acquisition when suitable opportunities arise and have made a number of acquisitions in 2022.

Financial key performance indicators

The progress of the Group is monitored by reference to the following KPIs as discussed above:

	<u>2021</u>	<u>2020</u>
Annual growth in sales	145.7%	81.8%
Gross profit margin	30.7%	15.6%
EBITDA margin	12.1%	3.0%
Net profit margin (pre-tax)	-16.1%	-42.4%

THE OLD STATION NURSERY LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The COVID-19 pandemic has posed a potential risk to the trade of the Group. Whilst during the first lockdown in 2020, the nurseries were closed, the Directors note that further lockdown closures have not taken place and the business has recovered during 2021. The Directors have reviewed the Group's ability to continue to trade and are confident that it has the correct policies and processes to deal with any issues and it will continue as a going concern. The Directors will continue to review the position to ensure that it is prepared to deal with issues as they arise.

The Directors and senior management review other risks on a regular basis with the major risks identified being those relating to safeguarding of children. These risks are mitigated through appropriate recruitment policies and vetting, comprehensive procedures and regular staff training.

Financial instruments

The Group and the parent company have a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The Group and the parent company does not enter into any hedging transactions.

This report was approved by the board on 27 September 2022 and signed on its behalf.



S J Steel
Director

THE OLD STATION NURSERY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £3,247,612 (2020 - loss £3,363,184).

The directors are not proposing a dividend for the year under review. No dividend was paid in respect of 2020.

Directors

The Directors holding office during the year are listed below. The directors had interests in the Company and fellow group companies during the year and at year end.

Sarah Jane Steel
Sylvain Forestier

Employment policies

Applicants with disabilities are given full and fair consideration during recruitment processes. The Group is committed to supporting employees with disabilities with regard to training, career development and promotion. The Company seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities.

THE OLD STATION NURSERY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Group's policies and procedures fully support disabled colleagues and active measures are taken via a robust reasonable adjustment process to review the needs of the employee and to initiate processes to ensure colleagues are fully supported.

The Group is responsive to the needs of its employees. As such, should any employee of the Group become disabled whilst employed, there is a commitment to actively retrain that employee, if required, and make reasonable adjustments to their working environment where possible, in order to keep the employee with the Group. It is the policy of the Group that the opportunities within recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with employees

The Company remains committed to employee involvement throughout the Group. Employees are kept well informed of the performance and strategy of the Group and other matters of concern through a variety of means including personal briefings, regular meetings and emails by the Chief Executive and other senior managers.

The Company engages with its employees on a regular basis and in a number of ways to suit their different working patterns. This includes: line manager briefings; communication forums across the Group; regular visits from senior managers to the nurseries and email news alerts, including nursery newsletters and staff updates. Details of the financial and economic factors affecting the performance of the Company are shared with all.

The Company provides opportunities for employees to give their feedback in a number of ways, including team meetings in the nurseries. The Company is keen to encourage greater employee involvement in the Group's performance through bonuses based on financial and operational KPIs.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

In March 2022, the Group acquired 100% of the share capital of both Townsend Montessori Limited and Good Manors Nurseries Limited. In August 2022, the Group completed transactions to acquire both Humpty Dumpty Childcare Limited (hdc nursery group) and Buds Limited (Catherine House Nurseries). There have been no other significant events affecting the Group since the year end.

Auditors

The auditors, The MGroup Partnership, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 September 2022 and signed on its behalf.

S J Steel
Director



THE OLD STATION NURSERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OLD STATION NURSERY LIMITED

Opinion

We have audited the financial statements of The Old Station Nursery Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows and the related notes, 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 2021 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 group 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.

Conclusions relating to going concern

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.

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 entity'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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

THE OLD STATION NURSERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OLD STATION NURSERY LIMITED (CONTINUED)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 Group strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

As explained more fully in the directors' responsibilities statement set out on page 8, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

THE OLD STATION NURSERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OLD STATION NURSERY LIMITED (CONTINUED)

Auditors' 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the groundworks industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

THE OLD STATION NURSERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OLD STATION NURSERY LIMITED (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 group's or the parent 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

THE OLD STATION NURSERY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OLD STATION NURSERY LIMITED
(CONTINUED)**

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 any 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 opinion we have formed.

P. D. Smith

P D Smith (Senior Statutory Auditor)

For and on behalf of

The MGroup Partnership

STATUTORY AUDITOR

Cranbrook House

287-291 Banbury Road

Oxford

OX2 7JQ

27th September 2022.

THE OLD STATION NURSERY LIMITED

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	20,153,171	8,202,870
Cost of sales		(13,972,807)	(6,924,111)
Gross profit		6,180,364	1,278,759
Administrative expenses		(8,043,813)	(5,122,327)
Other operating income	4	214,974	1,172,519
Operating loss	5	(1,648,475)	(2,671,049)
Income from fixed assets investments		-	8,278
Interest receivable and similar income		35	393
Interest payable and similar expenses	8	(1,604,546)	(811,746)
Loss before tax		(3,252,986)	(3,474,124)
Tax on loss	9	5,374	110,940
Loss after tax		<u>(3,247,612)</u>	<u>(3,363,184)</u>
Retained earnings at the beginning of the year		(3,729,388)	(366,204)
		(3,729,388)	(366,204)
Loss for the year attributable to the owners of the parent		(3,247,612)	(3,363,184)
Retained earnings at the end of the year		<u>(6,977,000)</u>	<u>(3,729,388)</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of income and retained earnings.

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these financial statements.

There were six acquisitions made in 2021 and no disposals. The Old Station Nursery acquired Bambino Limited on 28 January 2021, the ChooChoos nurseries business on 26 March 2021 and My First Friends Holdings Limited on 26 October. The acquisitions of DR Arora Enterprises Limited, Sixpenny Limited and Polkadot Day Nurseries Limited were completed in December 2021.

THE OLD STATION NURSERY LIMITED
REGISTERED NUMBER: 04430168

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	37,995,600	20,759,296
Tangible assets	11	4,485,994	1,372,396
		<u>42,481,594</u>	<u>22,131,692</u>
Current assets			
Debtors: amounts falling due within one year	13	1,545,527	822,629
Cash at bank and in hand	14	3,059,297	2,642,619
		<u>4,604,824</u>	<u>3,465,248</u>
Creditors: amounts falling due within one year	15	(5,455,385)	(4,490,563)
Net current liabilities		<u>(850,561)</u>	<u>(1,025,315)</u>
Total assets less current liabilities		<u>41,631,033</u>	<u>21,106,377</u>
Creditors: amounts falling due after more than one year	16	(45,639,524)	(24,727,875)
Provisions for liabilities			
Deferred taxation	17	(127,430)	(74,900)
Other provisions	18	(2,808,089)	-
		<u>(2,935,519)</u>	<u>(74,900)</u>
Net assets excluding pension asset		<u>(6,944,010)</u>	<u>(3,696,398)</u>
Net liabilities		<u>(6,944,010)</u>	<u>(3,696,398)</u>
Capital and reserves			
Called up share capital	19	6	6
Share premium account		32,984	32,984
Profit and loss account		(6,977,000)	(3,729,388)
Equity attributable to owners of the parent company		<u>(6,944,010)</u>	<u>(3,696,398)</u>
		<u>(6,944,010)</u>	<u>(3,696,398)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2022.

S J Steel
Director



THE OLD STATION NURSERY LIMITED

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	3,116,088	2,085
Tangible assets	11	831,966	423,367
Investments	12	47,353,922	27,699,938
		<u>51,301,976</u>	<u>28,125,390</u>
Current assets			
Debtors: amounts falling due within one year	13	1,279,404	688,279
Cash at bank and in hand	14	199,075	1,225,780
		<u>1,478,479</u>	<u>1,914,059</u>
Creditors: amounts falling due within one year	15	(10,818,961)	(6,563,550)
Net current liabilities		<u>(9,340,482)</u>	<u>(4,649,491)</u>
Total assets less current liabilities		<u>41,961,494</u>	<u>23,475,899</u>
Creditors: amounts falling due after more than one year	16	(45,639,524)	(24,727,875)
Provisions for liabilities			
Deferred taxation	17	(56,282)	(50,614)
Other provisions	18	(478,465)	-
		<u>(534,747)</u>	<u>(50,614)</u>
Net liabilities		<u>(4,212,777)</u>	<u>(1,302,590)</u>
Capital and reserves			
Called up share capital	19	6	6
Share premium account		32,984	32,984
Profit and loss account brought forward		(1,335,580)	(69,119)
Loss for the year		(2,910,187)	(1,266,461)
Profit and loss account carried forward		(4,245,767)	(1,335,580)
		<u>(4,212,777)</u>	<u>(1,302,590)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2022.

S J Steel
Director



THE OLD STATION NURSERY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Operating loss	(1,648,475)	(2,671,049)
Adjustments for:		
Amortisation of intangible assets	3,420,920	2,730,097
Depreciation of tangible assets	666,799	189,111
Loss on disposal of tangible assets	7,780	550
(Increase) in debtors	(399,523)	(93,736)
Increase in creditors	953,110	161,079
Corporation tax (paid)	(439,322)	(351,543)
Net cash generated from operating activities	2,561,289	(35,491)
Cash flows from investing activities		
Purchase of intangible fixed assets	(25,650)	-
Purchase of tangible fixed assets	(846,727)	(629,644)
Sale of tangible fixed assets	622	-
Purchase of subsidiaries net of cash acquired	(20,555,830)	(10,575,079)
Interest received	35	393
Net cash from investing activities	(21,427,550)	(11,204,330)
Cash flows from financing activities		
New loans from group companies	20,911,649	14,341,236
Interest paid	(1,604,546)	(811,746)
Net cash used in financing activities	19,307,103	13,529,490
Net increase in cash and cash equivalents	440,842	2,289,669
Cash and cash equivalents at beginning of year	2,618,455	328,786
Cash and cash equivalents at the end of year	<u>3,059,297</u>	<u>2,618,455</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,059,297	2,642,619
Bank overdrafts	-	(24,164)
	<u>3,059,297</u>	<u>2,618,455</u>

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Old Station Nursery Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is: The Old Railway Station, The Old Station Nursery, 7 Park Road, Faringdon, SN7 7BP. The financial statements are presented in Sterling, which is the functional currency of the Company.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 income and retained earnings in these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. In particular, the directors are required to make judgements, estimates and assumptions about amortising goodwill and to establish dilapidations provisions on leases. The directors have decided to amortise goodwill on acquisitions in the year over 8 years and have used professional advice and judgement to establish appropriate dilapidations provisions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. The Company uses the acquisition method of accounting to consolidate the results of its subsidiary undertakings. Intercompany transactions and balances between group companies are therefore eliminated in full.

In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The accounts have been drawn up on the going concern basis. The Company is dependent on the continued support of the parent company, who have confirmed their financial support. As a result, the directors have considered the going concern of the Company and concluded that there is no material uncertainty. If the going concern basis was not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for additional liabilities that might arise and to reclassify fixed assets as current assets.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue

Turnover is measured at the fair value of consideration received or receivable. It is recognised in respect of children's day-care services as soon as there is a right to consideration and is determined by reference to the value of the work performed. Turnover is stated net of trade discounts.

The Company recognises revenue when the amount of revenue can be measured reliably and when it is probable that future economic benefits will flow to the entity.

2.5 Leases

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the Group. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the Company are classified as operating leases.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Government grants

Grant income has been recognised under the accrual model, where income is recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grant income of £148,792 (2020 - £1,012,715) was recognised during the year, received from the Government's Job Retention Scheme. This was a scheme introduced due to the COVID-19 pandemic, where employers are able to claim grants of up to 80% of furloughed employees wages costs. These grants are shown in other operating income. The Group also received grant income of £4,915,409 (2020 - £2,592,613) via EYEE grants for children aged 2 to 4 years old and £29,825 (2020 - £3,587) for special education needs (SEN). Income from EYEE and SEN is shown in turnover.

2.7 Borrowing costs

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

2.8 Pensions

The Company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period. A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods based on current tax rates and laws. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of timing differences. Current and deferred tax assets and liabilities are not discounted.

2.10 Intangible assets

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 the Group's share 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 Consolidated statement of income and retained earnings over its useful economic life.

Other intangible assets

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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill on acquisitions in the period is amortised on a straight line basis over 8 years. The useful life of goodwill associated with new acquisitions and businesses acquired in previous years is assessed on a regular basis with reference to the cash flow and EBITDA forecasts of the acquired business at acquisition and through analysis of subsequent performance. The directors exercise significant judgement in determining the useful life and estimates and underlying assumptions are reviewed on an ongoing basis.

Computer software is amortised on a reducing balance basis between 20% and 25% per annum and on a straight line basis at 33% per annum.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses.

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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

If an impairment loss is subsequently reversed, the carrying amount of the asset, or group of related assets, is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset, or group of related assets, in prior periods. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Depreciation is provided on the following basis:

Short-term leasehold property	- On a straight line basis at between 4% and 12.5% per annum or over the remaining lease term and on a reducing balance basis at 15% per annum.
Fixtures and fittings	- On a straight line basis at between 12.5% and 50% per annum and on a reducing balance basis at between 15% and 25% per annum.
Office equipment	- On a straight line basis at between 12.5% and 50% per annum and on a reducing balance basis at between 15% and 25% per annum.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.13 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.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 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 profit or loss 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.

The Group has significant provisions for dilapidations relating to its lease portfolio. Dilapidations represent the cost of reinstating properties to their original condition at the commencement of the lease. Where reinstatement and refurbishment of the property is of a capital nature, involving rebuilding or similar renovation, the provision is recognised in full at the start of the lease with a corresponding entry to tangible fixed assets. These assets are then depreciated in accordance with the depreciation policy for leasehold property. Provisions for repairs that are not considered to be of a capital nature are recognised over the life of the lease. The directors use significant judgement to establish provisions and estimates and underlying assumptions are reviewed on a regular basis after taking professional advice from property surveyors.

2.17 Financial instruments

The Group 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, loans to related parties and investments in ordinary shares.

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 income and retained earnings.

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.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 Financial instruments (continued)

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.

3. Turnover

The whole of the turnover is attributable to children's day-care services

All turnover arose within the United Kingdom.

4. Other operating income

	2021 £	2020 £
Government grants receivable	148,792	1,012,715
Insurance claims and sundry income	66,182	159,804
	<u>214,974</u>	<u>1,172,519</u>

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Auditor's remuneration: audit fees	25,200	7,998
Auditor's remuneration: non audit fees	16,560	17,106
Depreciation	666,799	189,111
Amortisation	3,420,920	2,730,097
Loss on sale of fixed assets	7,780	550
Operating lease rentals	<u>1,568,522</u>	<u>861,109</u>

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Employees

Staff costs were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	11,613,915	6,034,007	4,866,020	3,004,293
Social security costs	741,030	367,380	348,937	211,768
Other benefits	69,951	36,811	35,707	27,885
Pension costs	218,006	121,107	105,069	76,498
	<u>12,642,902</u>	<u>6,559,305</u>	<u>5,355,733</u>	<u>3,320,444</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Average number of employees	<u>911</u>	<u>567</u>	<u>342</u>	<u>190</u>

7. Directors' remuneration

Only one of the directors received remuneration from the Group in 2021 and 2020. Total remuneration was £212,333 (2020 - £175,619) comprising emoluments of £186,333 (2020 - £151,702), contributions to employee pension schemes of £16,000 (2020 - £13,917) and benefits of £10,000 (2020 - £10,000).

8. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	-	5,986
Loans from group undertakings	1,604,546	805,760
	<u>1,604,546</u>	<u>811,746</u>

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	2,614	(2,727)
Total current tax	<u>2,614</u>	<u>(2,727)</u>
Deferred tax		
Origination and reversal of timing differences	(7,988)	(108,213)
Total deferred tax	<u>(7,988)</u>	<u>(108,213)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(3,252,986)</u>	<u>(3,474,124)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(618,067)	(660,084)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	648,921	518,718
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	84,014	28,443
Utilisation of tax losses	(122,856)	-
Adjustments to tax charge in respect of prior periods	2,614	(106)
Deferred tax not provided in the year	-	2,089
Total tax charge for the year	<u>(5,374)</u>	<u>(110,940)</u>

Factors that may affect future tax charges

Factors that may affect future tax charges include changes in tax legislation, adjustments to tax rates and any changes that might restrict the ability to utilise tax losses to offset profits around the Group.

THE OLD STATION NURSERY LIMITED

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

10. Intangible assets

Group

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2021	7,259	24,646,380	24,653,639
Additions	25,650	-	25,650
On acquisition of subsidiaries	2,042	21,062,312	21,064,354
At 31 December 2021	<u>34,951</u>	<u>45,708,692</u>	<u>45,743,643</u>
Amortisation			
At 1 January 2021	5,174	3,889,169	3,894,343
Charge for the year	5,545	3,415,375	3,420,920
On acquisition of subsidiaries	2,042	430,738	432,780
At 31 December 2021	<u>12,761</u>	<u>7,735,282</u>	<u>7,748,043</u>
Net book value			
At 31 December 2021	<u><u>22,190</u></u>	<u><u>37,973,410</u></u>	<u><u>37,995,600</u></u>
At 31 December 2020	<u><u>2,085</u></u>	<u><u>20,757,211</u></u>	<u><u>20,759,296</u></u>

THE OLD STATION NURSERY LIMITED

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

10. Intangible assets (continued)

Company

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2021	7,259	105,899	113,158
Additions	25,650	-	25,650
On acquisition of subsidiaries	-	3,413,957	3,413,957
At 31 December 2021	<u>32,909</u>	<u>3,519,856</u>	<u>3,552,765</u>
Amortisation			
At 1 January 2021	5,174	105,899	111,073
Charge for the year	5,545	320,059	325,604
At 31 December 2021	<u>10,719</u>	<u>425,958</u>	<u>436,677</u>
Net book value			
At 31 December 2021	<u><u>22,190</u></u>	<u><u>3,093,898</u></u>	<u><u>3,116,088</u></u>
At 31 December 2020	<u><u>2,085</u></u>	<u><u>-</u></u>	<u><u>2,085</u></u>

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

Group

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2021	1,691,065	-	1,071,589	367,072	3,129,726
Additions	2,229,642	-	247,586	77,591	2,554,819
Acquisition of subsidiaries	2,382,585	8,404	857,297	120,859	3,369,145
Disposals	(5,154)	-	(5,350)	-	(10,504)
At 31 December 2021	<u>6,298,138</u>	<u>8,404</u>	<u>2,171,122</u>	<u>565,522</u>	<u>9,043,186</u>
Depreciation					
At 1 January 2021	580,538	-	843,724	333,069	1,757,331
Charge for the year	481,388	-	140,970	44,441	666,799
Acquisition of subsidiaries	1,331,919	7,176	690,795	105,273	2,135,163
Disposals	(1,034)	-	(1,067)	-	(2,101)
At 31 December 2021	<u>2,392,811</u>	<u>7,176</u>	<u>1,674,422</u>	<u>482,783</u>	<u>4,557,192</u>
Net book value					
At 31 December 2021	<u>3,905,327</u>	<u>1,228</u>	<u>496,700</u>	<u>82,739</u>	<u>4,485,994</u>
At 31 December 2020	<u>1,110,527</u>	<u>-</u>	<u>227,866</u>	<u>34,003</u>	<u>1,372,396</u>

The analysis of fixed assets at 1 January 2021 has been reclassified to more consistently reflect the assets within the Group

THE OLD STATION NURSERY LIMITED

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

11. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2021	360,442	202,345	74,279	637,066
Additions	562,856	68,617	16,561	648,034
At 31 December 2021	<u>923,298</u>	<u>270,962</u>	<u>90,840</u>	<u>1,285,100</u>
Depreciation				
At 1 January 2021	44,185	104,193	65,321	213,699
Charge for the year	172,603	49,683	17,149	239,435
At 31 December 2021	<u>216,788</u>	<u>153,876</u>	<u>82,470</u>	<u>453,134</u>
Net book value				
At 31 December 2021	<u><u>706,510</u></u>	<u><u>117,086</u></u>	<u><u>8,370</u></u>	<u><u>831,966</u></u>
At 31 December 2020	<u><u>316,257</u></u>	<u><u>98,152</u></u>	<u><u>8,958</u></u>	<u><u>423,367</u></u>

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Fixed asset investments

Company

Investments
in
subsidiary
companies
£

Cost or valuation

At 1 January 2021	27,699,938
Additions	19,653,984
At 31 December 2021	<u>47,353,922</u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding
Bambino Limited	Ordinary	100 %
DR Arora Enterprises Limited	Ordinary	100 %
My First Friends Holdings Limited	Ordinary	100 %
Old Station Nannies Limited	Ordinary	100 %
Polkadot Day Nurseries Limited	Ordinary	100 %
Premier Nurseries Limited	Ordinary	100 %
Sandhills Limited	Ordinary	100 %
Sixpenny Limited	Ordinary	100 %
Small Friends Limited	Ordinary	100 %
Sunhill Daycare (Europe) Limited	Ordinary	100 %

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding
Emric Limited	Ordinary	100 %
Kids Out Of Hours Limited	Ordinary	100 %
Little Hands Nursery Limited	Ordinary	100 %
Little Mice 2 Day Nursery (UK) Ltd	Ordinary	100 %
Little Mice Day Nursery Limited	Ordinary	100 %
LODN Limited	Ordinary	100 %
My First Friends Bromsgrove Limited	Ordinary	100 %
My First Friends Droitwich Limited	Ordinary	100 %
My First Friends Limited	Ordinary	100 %
St Nicholas Nursery Limited	Ordinary	100 %
Sunhill Early Learning Ltd	Ordinary	100 %
Wylde Green Nursery Limited	Ordinary	100 %

All subsidiaries are registered in England and Wales and their registered address is the same as the parent.

13. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	186,418	138,347	32,004	20,378
Amounts owed by group undertakings	-	-	522,525	312,951
Other debtors	621,319	273,042	384,875	198,650
Prepayments and accrued income	737,790	411,240	340,000	156,300
	<u>1,545,527</u>	<u>822,629</u>	<u>1,279,404</u>	<u>688,279</u>

14. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	3,059,297	2,642,619	199,075	1,225,780
Less: bank overdrafts	-	(24,164)	-	-
	<u>3,059,297</u>	<u>2,618,455</u>	<u>199,075</u>	<u>1,225,780</u>

THE OLD STATION NURSERY LIMITED

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

15. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	24,164	-	-
Trade creditors	1,555,564	767,207	389,769	204,279
Amounts owed to group undertakings	-	-	7,791,945	3,431,511
Corporation tax	433,997	446,588	21,365	21,365
Other taxation and social security	220,388	143,000	98,050	73,469
Other creditors	1,231,659	2,631,500	891,847	2,596,216
Accruals and deferred income	2,013,777	478,104	1,625,985	236,710
	<u>5,455,385</u>	<u>4,490,563</u>	<u>10,818,961</u>	<u>6,563,550</u>

16. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts owed to group undertakings	45,639,524	24,727,875	45,639,524	24,727,875
	<u>45,639,524</u>	<u>24,727,875</u>	<u>45,639,524</u>	<u>24,727,875</u>

Of the amounts owed to group undertakings, £7,904,173 is due in 2-3 years and £37,735,351 is due in 4-5 years.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Deferred taxation

Group

	2021 £
At beginning of year	(74,900)
Charged to profit or loss	(31,729)
Arising on business combinations	(20,801)
At end of year	<u>(127,430)</u>

Company

	2021 £
At beginning of year	(50,614)
Charged to profit or loss	(5,668)
At end of year	<u>(56,282)</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(127,430)	(74,900)	(56,282)	(50,614)
	<u>(127,430)</u>	<u>(74,900)</u>	<u>(56,282)</u>	<u>(50,614)</u>

18. Provisions

Group

	Dilapidation provision £
Arising on business combinations	1,099,996
Recognised in the period	1,708,093
At 31 December 2021	<u>2,808,089</u>

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. Provisions (continued)

Company

	Dilapidation provision £	Total £
Recognised in the period	478,465	478,465
At 31 December 2021	<u>478,465</u>	<u>478,465</u>

19. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
6 (2020 - 6) Ordinary Class A shares of £1.00 each	<u>6.00</u>	<u>6.00</u>

The holders of the Ordinary A shares are entitled to one vote per share at meetings of the Company, receipt of dividends as declared from time to time and rank equally with regard to the Company's residual assets on a winding up or other return of capital.

20. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

Group	2021 £	2020 £
Not later than 1 year	1,731,648	841,025
Later than 1 year and not later than 5 years	5,946,077	2,893,243
Later than 5 years	8,215,009	5,072,609
	<u>15,892,734</u>	<u>8,806,877</u>

21. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other members of the Group headed by The Old Station Nursery Limited on the grounds that 100% of the voting rights are controlled within the Group and consolidated accounts are publicly available from the registered office at The Old Railway Station, 7 Park Road, Faringdon, Oxfordshire, SN7 7BP.

The Company paid rent of £60,000 (2020 - £60,000) to Mr K Steel for the use of premises. Mr K Steel is a spouse of a director.

THE OLD STATION NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Post balance sheet events

In March 2022, the Group acquired 100% of the share capital of both Townsend Montessori Limited and Good Manors Nurseries Limited. In August 2022, the Group completed transactions to acquire both Humpty Dumpty Childcare Limited (hdc nursery group) and Buds Limited (Catherine House Nurseries). There have been no other significant events affecting the Group since the year end.

23. Controlling party

The immediate parent and ultimate holding company is La Maison Bleue Sas, a company incorporated in France, whose registered office is 148-152, Route De La Reine, 92100 Boulogne, Billancourt, France. La Maison Bleue Sas has a 100% interest in The Old Station Nursery Limited.

24. Group accounts

The Company has claimed that the subsidiaries listed below are exempt from audit by virtue of s479A of the Companies Act 2006

Bambino Limited
DR Arora Enterprises Limited
Emric Limited
LODN Limited
My First Friends Bromsgrove Limited
My First Friends Droitwich Limited
My First Friends Holdings Limited
My First Friends Limited
Polkadot Day Nurseries Limited
Premier Nurseries Limited
Sandhills Limited
Sixpenny Limited
Small Friends Limited
Sunhill Daycare (Europe) Limited
Wylde Green Nursery Limited