

**Oakley Early Years Topco Limited
(formerly Thunder UK Topco
Limited)**

Annual Report and Financial Statements

13 month period ended

30 June 2022

Company Number 13418328

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Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Company Information

Directors	S M Booty S H T Fenton-Whittet D L Keech A Mornington C E Wilson
Registered number	13418328
Registered office	1 Pride Point Drive Pride Park Derby England DE24 8BX
Independent auditors	BDO LLP Two Snowhill Birmingham B4 6GA

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

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Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Group Strategic Report For the 13 month period ended 30 June 2022

Introduction

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited) is a holding company for a group of companies that provide children's day nursery services.

The company was incorporated on 25 May 2021.

Business review

During the period, the trading group was formed following the acquisition of Bright Stars Nursery Holdings Limited (formerly ICP Education Holdings Limited) on 29 June 2021. Bright Stars Nursery Holdings Limited (formerly ICP Education Holdings Limited) was the holding company for a group of day nurseries with over 50 settings in the group. The consolidated results present the results of the trading group for the post acquisition period representing 29 June 2021 to 30 June 2022.

The acquisition was carried out as part of a strategy to grow the group of nurseries, during the year the group implemented the strategy with further acquisitions of 9 private day care nursery businesses across 18 settings.

The operating loss for the period was £12,661,191. This is stated after amortisation of £24,545,354 and depreciation of £2,067,771, resulting in an earnings before depreciation, amortisation interest and tax (EBITDA) of £13,951,934. EBITDA is the principal key performance indicator used by the Directors to measure the underlying performance of the business. The directors are satisfied with the performance during the year and the financing arrangements in place provide headroom to continue to grow the estate.

Current trading is in line with expectations. There is ongoing wage inflation pressure on the business which has led to the need to increase the nursery fees, however, overall trading profits met budgeted expectation. Nursery fees will be carefully monitored to ensure that our customers receive the highest quality childcare for an affordable price but will to be kept under review in light of ongoing cost pressure.

The Directors have considered if any of the goodwill arising following the acquisitions in the year should be impaired as a result of changes in the ongoing economic climate and are satisfied that the forecasted cash generation of the group supports the level of goodwill.

Principal risks and uncertainties

The Group's operations are managed according to policies and procedures approved by the Board of Directors. These policies are designed to mitigate all significant risks to which the group is exposed. These are summarised below.

Interest rate risk and hedging activities

The Group's policy was not to enter into interest rate swaps to hedge interest rate risk. The Directors monitor the exposure to historic interest rate fluctuations and consider the benefit against the cost of utilising hedging instruments and post year end an interest rate hedge has been entered to manage the exposure against volatility in interest rates.

Credit risk

The Group only trades with creditworthy third parties and all receivable balances are monitored on an ongoing basis. For most trading activity payment is received in advance of services being rendered, minimising the risk of material credit risk. Cash balances are held with reputable banks with suitable credit ratings.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Group Strategic Report (continued) For the 13 month period ended 30 June 2022

Principal risks and uncertainties (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient cash and debt facilities to meet future obligations. The Group prepares annual forecasts of future requirements and monitors cash flow on an ongoing basis. Servicing debt arrangements and the ultimate repayment of these facilities are factored into management decisions and careful review of cash forecasts occur regularly by the Board when proceeding with acquisitions.

Regulatory risk

The nurseries within the Group are registered with and regulated by Ofsted. Internal control procedures are in place to ensure that the relevant regulations are adhered to.

Directors' statement of compliance with duty to promote the success of the Group

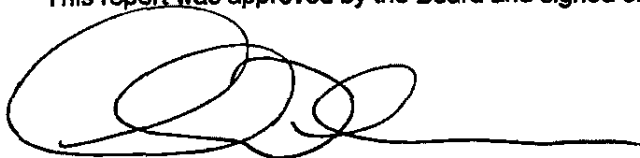
Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders including customers, suppliers and shareholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Directors continually assess the impact on these stakeholders when determining strategy and making business decisions. The general engagement and relations with key stakeholders is achieved by:

- regular visits by the Directors and senior management team to each of the operating companies to meet with employees and discuss elements of strategy and issues relevant to them;
- clear policies in place regarding equal opportunities with anonymous whistleblowing procedures available and promoted to all employees and other stakeholders;
- structured communication to customers through regular newsletters and website notifications at each of the operating companies, along with senior face to face engagement through meetings; and
- formal meetings with shareholders on a monthly basis with set agenda items.

Careful consideration of the impact of key decisions on the different stakeholder groups is carried out by the Board. During the year, the key decisions taken revolved around the acquisition of further day nursery operating companies. All opportunities are considered in detail during meetings with the shareholders and thorough due diligence is carried out ensuring key information is considered before completing an acquisition. Once an acquisition has been completed, the customers of the acquired operating company are contacted and fully communicated with ensuring all questions can be addressed. Engagement with the new employees of the group occurs through structured meetings with employee talent, focusing on retention programmes as a key priority. The wider group provides opportunities for new employees to progress their career.

This report was approved by the Board and signed on its behalf.



C E Wilson
Director

Date: 30 January 2023

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Directors' Report For the 13 month period ended 30 June 2022

The Directors present their report and the financial statements for the 13 month period ended 30 June 2022.

Results and dividends

The loss for the 13 month period, after taxation, amounted to £21,130,924.

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the 13 month period were:

S M Booty (appointed 29 June 2021)
S H T Fenton-Whittet (appointed 25 May 2021)
D L Keech (appointed 18 October 2021)
A Mornington (appointed 29 June 2021)
C E Wilson (appointed 29 June 2021)
D Harrison (appointed 29 June 2021, resigned 1 June 2022)
J A D Wilman (appointed 25 May 2021, resigned 18 October 2021)

Going concern

The Company is the holding company for a number of children's day nursery businesses and in assessing the going concern of the Company, the Directors have considered the Group position with reference to the Group debt facilities.

The Directors have carefully considered the anticipated future performance of the investee companies for a period of 12 months to 31 January 2024, and are satisfied the performance of the companies support the requirements of the debt arrangements and service the interest charges. The bank debt capital is not due to be repaid until June 2028. The forecasts take account of acquisitions that have completed at the date the financial statements have been approved.

The directors have considered the current economic climate when preparing the forecasts and have reflected the anticipated impact of wage and wider cost inflation on the business. The forecasts assume that cost increases are recovered through price increases in fee income. Based on sensitivity analysis, the directors are satisfied that given the level of cash within the business and trading headroom against ongoing debt covenants, scenarios that would result in the business not being a going concern are remote.

The Directors therefore consider that it is appropriate to prepare the financial statements on a going concern basis.

Streamlined energy and carbon reporting (SECR)

The Group is considered to be exempt from the requirements to present the information required under SECR disclosures, due to all of its subsidiary undertakings not needing to report at an individual level on the grounds of size and the parent entity being a low energy consumer during the period.

Future developments

The Group will continue to develop the portfolio of nursery operating companies it owns and will assess suitable acquisition targets when suitable businesses are identified.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Directors' Report (continued) For the 13 month period ended 30 June 2022

Engagement with employees

The Group has introduced procedures to ensure employees are informed of matters affecting both them as employees as well as the financial and economic factors affecting the performance of the Group through regular management meetings, newsletters and through the various electronic communication channels.

Engagement with suppliers, customers and others

The Group continues to work closely with approved and nominated suppliers to obtain best value and service levels. Additionally, the investment in staff salaries, benefits and training opportunities ensures our strategy of delivering the highest level of childcare is met. Our positive relationships with parents is supported with our investment in new technology and training workshops as well as the enhanced "above and beyond" education curriculum.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as practicable, be identical to that of a person without disability.

Matters covered in the Group Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Director considers them to be of strategic importance to the Company. These matters include the business review and summary of principal risks and uncertainties.

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 auditor 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 auditor are aware of that information.

Post balance sheet events

Following the year end and up to the date of this report a further 7 private day nursery business have been acquired across 19 settings for a combined consideration of £49,089,062.

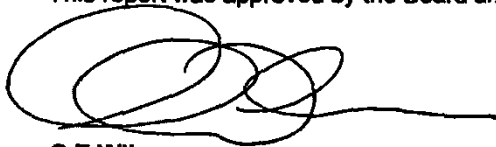
Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Directors' Report (continued)
For the 13 month period ended 30 June 2022

Auditors

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

This report was approved by the Board and signed on its behalf.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

C E Wilson
Director

Date: 30 January 2023

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Directors' Responsibilities Statement For the 13 month period ended 30 June 2022

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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Independent Auditor's report to the members of Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Opinion on the financial statements

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 30 June 2022 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited) (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2022 which comprise Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Independent Auditor's report to the members of Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited) (continued)

Other information

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

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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, 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.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Independent Auditor's report to the members of Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited) (continued)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and the Board, including obtaining and reviewing supporting documentation, concerning the Group's and the Parent Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks applicable to Group and the Parent Company based on our understanding of the Group and the Parent Company and sector experience and discussions with management. We considered the most significant laws and regulations for the Group and the Parent Company to be Safeguarding of Children and Office for Standards and Education, the applicable accounting framework, Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety and the Bribery Act 2010.
- Discussing among the engagement team, to assess how and where fraud might occur in the financial statements and any potential indicators of fraud and non-compliance with laws and regulation.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Independent Auditor's report to the members of Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited) (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. Based on our understanding of the environment and assessment of the incentive and opportunity for fraud we carried out the following procedures:

- We made enquiries of management and those charged with governance and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.
- We tested the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the period across the Group to identify and test any which we considered were indicative of management override.
- We reviewed the Group's and the Parent Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.
- We also tested manual journals posted to revenue, agreeing them to supporting documentation to check that they were appropriate, correctly recorded and supported by appropriate evidence.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Gareth Singleton

Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

Date: 30 January 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Consolidated Statement of Comprehensive Income For the 13 month period ended 30 June 2022

	Note	13 month period ended 30 June 2022 £
Turnover	4	51,136,223
Cost of sales		(26,740,668)
Gross profit		24,395,555
Administrative expenses		(37,060,145)
Other operating income		3,399
Operating (loss)/profit	5	(12,661,191)
Interest receivable and similar income	9	35
Interest payable and similar expenses	10	(8,167,432)
(Loss)/profit before taxation		(20,828,588)
Tax on (loss)/profit	11	(302,336)
(Loss)/profit for the financial 13 month period		(21,130,924)
(Loss) for the 13 month period attributable to:		
Owners of the parent Company		(21,130,924)

All amounts relate to continuing activities.

There was no other comprehensive income for 2022.

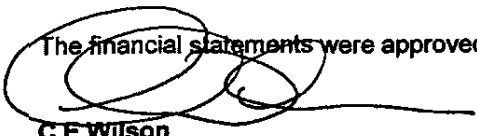
The notes on pages 18 to 49 form part of these financial statements.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)
Registered number:13418328

Consolidated Statement of Financial Position
As at 30 June 2022

	Note	30 June 2022 £	30 June 2022 £
Fixed assets			
Intangible assets	12		162,852,791
Tangible assets	13		30,594,146
			<u>193,446,937</u>
Current assets			
Debtors: amounts falling due within one year	15	11,993,595	
Bank and cash balances		11,593,315	
		<u>23,586,910</u>	
Creditors: amounts falling due within one year	16	(13,964,278)	
Net current assets			<u>9,622,632</u>
Total assets less current liabilities			<u>203,069,569</u>
Creditors: amounts falling due after more than one year	17		(121,895,680)
Provisions for liabilities			
Deferred taxation	20		(719,443)
Other provisions	21		(1,660,370)
Net assets			<u><u>78,794,076</u></u>
Capital and reserves			
Called up share capital	22		99,009,250
Share premium account	23		915,750
Profit and loss account	23		(21,130,924)
Equity attributable to owners of the parent Company			<u><u>78,794,076</u></u>

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


C E Wilson
Director

Date: 30 January 2023

The notes on pages 18 to 49 form part of these financial statements.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)
Registered number:13418328

Company Statement of Financial Position
As at 30 June 2022

	Note	30 June 2022 £	30 June 2022 £
Fixed assets			
Investments	14		99,905,000
Current assets			
Debtors: amounts falling due within one year	15	20,000	
Total assets less current liabilities			99,925,000
Net assets			99,925,000
Capital and reserves			
Called up share capital	22		99,009,250
Share premium account	23		915,750
			99,925,000

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The result of the Parent Company for the year was £Nil.

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



C E Wilson
Director

Date: 30 January 2023

The notes on pages 18 to 49 form part of these financial statements.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Consolidated Statement of Changes in Equity For the 13 month period ended 30 June 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 25 May 2021	-	-	-	-
Comprehensive loss for the period				
Loss for the 13 month period	-	-	(21,130,924)	(21,130,924)
Total comprehensive loss for the period	-	-	(21,130,924)	(21,130,924)
Contributions by and distributions to owners				
Shares issued during the period	99,009,250	915,750	-	99,925,000
Total transactions with owners	99,009,250	915,750	-	99,925,000
At 30 June 2022	99,009,250	915,750	(21,130,924)	78,794,076

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Company Statement of Changes in Equity For the 13 month period ended 30 June 2022

	Called up share capital £	Share premium account £	Total equity £
At 25 May 2021	-	-	-
Contributions by and distributions to owners			
Shares issued during the period	99,009,250	915,750	99,925,000
Total transactions with owners	<u>99,009,250</u>	<u>915,750</u>	<u>99,925,000</u>
At 30 June 2022	<u>99,009,250</u>	<u>915,750</u>	<u>99,925,000</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Consolidated Statement of Cash Flows For the 13 month period ended 30 June 2022

	30 June 2022 £
Cash flows from operating activities	
(Loss)/profit for the financial 13 month period	(21,130,924)
Adjustments for:	
Amortisation of intangible assets	24,545,354
Depreciation of tangible assets	2,067,771
Loss on disposal of tangible assets	148,870
Interest paid	8,167,432
Interest received	(35)
Taxation charge	302,336
Decrease in debtors	1,122,849
Increase in creditors	3,764,570
(Decrease) in provisions	(103,655)
Corporation tax paid	(273,919)
Net cash generated from operating activities	18,610,649
Cash flows used in investing activities	
Purchase of intangible fixed assets	(2,480)
Purchase of tangible fixed assets	(4,754,515)
Funds deposited in solicitors client account	(8,600,022)
Interest received	35
Consideration for business combinations net of cash acquired	(105,085,272)
Net cash used in investing activities	(118,442,254)
Cash flows from financing activities	
Issue of share capital	97,878,000
New secured loans	109,090,000
Arrangement fee paid on draw down of secured loan	(4,075,000)
Repayment of loans	(83,266,862)
Repayment of loan notes of previous directors of acquired entities	(14,984,990)
Repayment of bank loans of subsidiaries post acquisition	(2,186,572)
Repayment of current accounts of previous directors of acquired entities	(262,522)
Draw down of sale and lease back capital	16,899,815
Repayment of sale and leaseback capital	(7,328)
Interest paid on borrowings	(7,688,239)
Net cash used in financing activities	111,396,302

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Consolidated Statement of Cash Flows (continued) For the 13 month period ended 30 June 2022

	30 June 2022 £
Net increase in cash and cash equivalents	<u>11,564,697</u>
Cash and cash equivalents at the end of 13 month period	<u>11,564,697</u>
Cash and cash equivalents at the end of 13 month period comprise:	
Cash at bank and in hand	11,593,315
Bank overdrafts	(28,618)
	<u>11,564,697</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

1. General information

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited) is a private Company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activity are outlined in the Group Strategic Report.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

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

The financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Parent company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliations for the Group and the Parent Company would be identical;
- No cash flow statement has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the group as a whole.

2.3 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. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

2. Accounting policies (continued)

2.4 Going concern

The Company is the holding company for a number of children's day nursery businesses and in assessing the going concern of the Company, the Directors have considered the Group position with reference to the Group debt facilities.

The Directors have carefully considered the anticipated future performance of the investee companies for a period of 12 months to 31 January 2024, and are satisfied the performance of the companies support the requirements of the debt arrangements and service the interest charges. The bank debt capital is not due to be repaid until June 2028. The forecasts take account of acquisitions that have completed at the date the financial statements have been approved.

The directors have considered the current economic climate when preparing the forecasts and have reflected the anticipated impact of wage and wider cost inflation on the business. The forecasts assume that cost increases are recovered through price increases in fee income. Based on sensitivity analysis, the directors are satisfied that given the level of cash within the business and trading headroom against ongoing debt covenants, scenarios that would result in the business not being a going concern are remote.

The Directors therefore consider that it is appropriate to prepare the financial statements on a going concern basis.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

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

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.8 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.

2.9 Current and deferred taxation

The tax expense for the 13 month period comprises current and deferred tax. 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 and the Group operate and generate income.

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

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

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

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

2. Accounting policies (continued)

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 Comprehensive Income 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.

The estimated useful lives range as follows:

Customer Relationships	-	7	years
Goodwill	-	7	years

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

2. Accounting policies (continued)

2.11 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.

Depreciation 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 property	- 50 years straight-line
Leasehold property	- 50 years straight-line
Leasehold improvements	- 10 years straight-line
Fixtures and fittings	- 5 years straight-line
Office equipment	- 3 years straight-line
Computer equipment	- 3 years straight-line
Other fixed assets	- 3 - 5 years straight-line

Freehold land and assets under construction are not depreciated.

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 the Consolidated Statement of Comprehensive Income.

2.12 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

2. Accounting policies (continued)

2.15 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.

2.16 Creditors

Short term creditors are measured at the transaction price.

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.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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.

The Company has issued warrants during the period. The Warrants are classified as equity in that they will be settled in the company's own equity instruments and include no obligation to deliver a variable number of the company's own equity instruments. In addition, they include no contractual obligation upon the Company to deliver cash or other financial assets or to exchange financial assets with another party under conditions that are potentially unfavourable to the Company.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Intangible and tangible fixed assets

Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill and customer relationships. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of that unit.

Fixed assets (both tangible and intangible) are amortised over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as current occupancy, condition of premises and maintenance programmes are taken into account.

Fair values are applied on the acquisition of a subsidiary which involve a degree of judgement and estimation in particular in the determination of the fair values attributed to acquired assets and liabilities which requires estimates to be made about the outcome of future events, including the condition of acquired assets, the ongoing value to the business of intangible assets and the recoverability of other assets. For liabilities, an assessment is required to identify any unrecorded liabilities or disputed amounts to determine whether liabilities should be recognised at the point of acquisition.

4. Turnover

The whole of the turnover is attributable to the single principal activity of the Group as disclosed in the Group Strategic Report.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	13 month period ended 30 June 2022 £
Depreciation of tangible fixed assets	2,067,771
Amortisation of intangible assets, including goodwill	24,545,354
Operating lease charges	2,276,662

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

6. Auditors' remuneration

During the 13 month period, the Group obtained the following services from the Company's auditors and their associates:

	13 month period ended 30 June 2022 £
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	84,350
Fees payable to the Company's auditors and their associates in respect of:	
Taxation compliance services	80,000
All non-audit services not included above	40,000
	<u>120,000</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 13 month period ended 30 June 2022 £
Wages and salaries	21,541,875
Social security costs	1,645,161
Cost of defined contribution scheme	349,183
	<u>23,536,219</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

7. Employees (continued)

Across the Group, the average monthly number of employees, including the directors, during the period was as follows:

	Group 13 month period ended 30 June 2022 £
Nursery staff	1,348
Head office	38
	<u>1,386</u>

The Company has no employees other than the Directors, who did not receive any remuneration from this company. Directors' remuneration paid from other group entities is shown in note 8.

8. Directors' remuneration

	13 month period ended 30 June 2022 £
Directors' emoluments	526,611
Group contributions to defined contribution pension schemes	3,963
	<u>530,574</u>

During the 13 month period retirement benefits were accruing to 3 Directors in respect of defined contribution pension schemes.

The total amount payable to the highest paid Director in respect of emoluments was £203,294. Company pension contributions of £1,321 were paid to a money purchase scheme on their behalf.

9. Interest receivable and similar income

	13 month period ended 30 June 2022 £
Other interest receivable	<u>35</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

10. Interest payable and similar expenses

	13 month period ended 30 June 2022 £
Bank interest payable	7,592,438
<i>Amortisation of loan arrangement fees</i>	484,066
Finance leases and hire purchase contracts	90,928
	<u>8,167,432</u>

11. Taxation

	13 month period ended 30 June 2022 £
Corporation tax	
Current tax on loss for the period	733,020
Total current tax	<u>733,020</u>
Deferred tax	
Origination and reversal of timing differences	(430,684)
Total deferred tax	<u>(430,684)</u>
Taxation on loss	<u>302,336</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

11. Taxation (continued)

Factors affecting tax charge for the 13 month period

The tax assessed for the 13 month period/year is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	13 month period ended 30 June 2022 £
(Loss) before tax	(20,828,588)
(Loss) multiplied by standard rate of corporation tax in the UK of 19%	(3,957,432)
Effects of:	
Non-tax deductible amortisation of goodwill and impairment	4,424,670
Expenses not deductible excluding amortisation of goodwill	112,101
Ineligible depreciation	166,190
Capital items expensed	12,854
Utilisation of unrecognised deferred tax assets relating to acquisitions	(889,122)
Corporate interest restriction not recognised as deferred tax asset	536,439
Remeasurement of deferred tax for changes in tax rates	(103,364)
Total tax charge for the 13 month period	302,336

Factors that may affect future tax charges

The corporation tax is calculated at 19% of the estimated assessable profit for the year.

The government announced on 3 March 2021 that the UK corporation tax rate will increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021. As this rate was substantively enacted at the statement of financial position date it has been used to calculate the deferred tax balance.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

12. Intangible assets

Group

	Customer relationships £	Goodwill £	Total £
Cost			
Additions	2,480	-	2,480
Arising on business combination	3,778,867	183,616,798	187,395,665
At 30 June 2022	<u>3,781,347</u>	<u>183,616,798</u>	<u>187,398,145</u>
Amortisation			
Charge for the 13 month period	1,257,616	23,287,738	24,545,354
At 30 June 2022	<u>1,257,616</u>	<u>23,287,738</u>	<u>24,545,354</u>
Net book value			
At 30 June 2022	<u>2,523,731</u>	<u>160,329,060</u>	<u>162,852,791</u>

Customer relationships

The useful life of customer relationships is estimated to be 7 years based on the attrition rate of acquired customers.

Goodwill

Goodwill is being amortised over the director's estimate of its useful life of 7 years. This estimate is based on a variety of factors including the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed and the legal, regulatory or contractual provisions that could limit its useful life.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

13. Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Leasehold improv'ts £	Fixtures, fittings and office equipment £	Other fixed assets £	Total £
Cost						
Additions	3,442,824	100,067	284,523	636,439	290,662	4,754,515
Arising on business combination	23,084,686	-	3,843,371	750,603	377,612	28,056,272
Disposals	(164,750)	-	(45,262)	(336,569)	(8,357)	(554,938)
Transfers between classes	(14,758,425)	16,898,487	(2,663,888)	433,848	89,978	-
At 30 June 2022	11,604,335	16,998,554	1,418,744	1,484,321	749,895	32,255,849
Depreciation						
Charge for the 13 month period	570,183	244,276	292,009	648,326	312,977	2,067,771
Disposals	(3,333)	-	(2,859)	(399,876)	-	(406,068)
Transfers between classes	(587,066)	775,469	(188,403)	-	-	-
At 30 June 2022	(20,216)	1,019,745	100,747	248,450	312,977	1,661,703
Net book value						
At 30 June 2022	11,624,551	15,978,809	1,317,997	1,235,871	436,918	30,594,146

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	30 June 2022 £
Leasehold property	15,978,809

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
Additions	99,905,000
At 30 June 2022	<u>99,905,000</u>

Subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Oakley Early Years Holdco Limited	Holding company	Ordinary	100%
Oakley Early Years Midco Limited*	Holding company	Ordinary	100%
Oakley Early Years Bidco Limited*	Holding company	Ordinary	100%
Bright Stars Nursery Holdings Limited*	Holding company	Ordinary	100%
Bright Stars Nursery Investments Limited*	Holding company	Ordinary	100%
Bright Stars Nursery Group Limited*	Holding company	Ordinary	100%
The Old Barn Day Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Bright Stars Childcare Limited*	Childcare in day nurseries	Ordinary	100%
Little Muffins Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Little Monkeys Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Friends Private Day Nursery Limited*	Childcare in day nurseries	Ordinary	100%
St. Ives Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Montessori On The Park Limited*	Childcare in day nurseries	Ordinary	100%
Northcote House Nurseries Limited*	Childcare in day nurseries	Ordinary	100%
Little Rascals Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Doodle Do Day Nurseries Limited*	Childcare in day nurseries	Ordinary	100%

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
The House Nurseries (Holding) Limited*	Holding company	Ordinary	100%
Little House Childcare Limited*	Dormant	Ordinary	100%
Zeeba Dalston Limited*	Childcare in day nurseries	Ordinary	100%
Zeeba Woolwich Limited*	Childcare in day nurseries	Ordinary	100%
Zeeba Pre School Limited*	Childcare in day nurseries	Ordinary	100%
Zeeba Day Care Limited*	Dormant	Ordinary	100%
Patacake Day Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Forest Hill Montessori Limited*	Childcare in day nurseries	Ordinary	100%
Oaklands (Tonbridge) Limited*	Dormant	Ordinary	100%
Ladybird Day Nursery Limited*	Dormant	Ordinary	100%
Orchard Barns Limited*	Childcare in day nurseries	Ordinary	100%
Child 1st Nurseries Limited*	Childcare in day nurseries	Ordinary	100%
Asset Networks Limited*	Childcare in day nurseries	Ordinary	100%
Asset Networks Holdings Limited*	Holding company	Ordinary	100%
High House Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Park Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Nature Nurture Nurseries Limited*	Childcare in day nurseries	Ordinary	100%
Bright Stars Nurseries UK Holdings Limited*	Holding company	Ordinary	100%
Bright Stars Nurseries UK Investments Limited*	Holding company	Ordinary	100%
Bright Stars Nurseries UK Limited*	Holding company	Ordinary	100%
Ark Childcare (UK) Limited*	Childcare in day nurseries	Ordinary	100%
Eduvivre Group Limited*	Dormant	Ordinary	100%
Hillside House Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Nikki's Nurseries Limited*	Childcare in day nurseries	Ordinary	100%
Springburn Childcare Limited*	Dormant	Ordinary	100%
The Garden House Nursery School Limited*	Dormant	Ordinary	100%
The Natural Childcare Company Limited*	Childcare in day nurseries	Ordinary	100%
RJY Properties Limited*	Dormant	Ordinary	100%
Treetops Montessori Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Woodcote Day Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Elm Park Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Second Steps Day Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Lifetimes Trading Limited*	Childcare in day nurseries	Ordinary	100%
Little Learners (Skegness) Limited*	Childcare in day nurseries	Ordinary	100%
Ducklings Childcare (Godmanchester) Limited*	Childcare in day nurseries	Ordinary	100%
Future Champions (Holdings) Limited*	Holding company	Ordinary	100%
Future Champions Day Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Wee Gems Holdings Limited*	Holding company	Ordinary	100%
Croileagan Nurseries Limited*	Childcare in day nurseries	Ordinary	100%
Wee Gems Armadale Limited*	Childcare in day nurseries	Ordinary	100%
Wee Gems Corstorphine Limited*	Childcare in day nurseries	Ordinary	100%
Wee Gems Limited*	Childcare in day nurseries	Ordinary	100%
Wee Gems Livingstone Limited*	Childcare in day nurseries	Ordinary	100%
Children's Hour Limited*	Childcare in day nurseries	Ordinary	100%
Pilrig Children's Nursery Limited*	Childcare in day nurseries	Ordinary	100%
Pear Tree Nurseries Limited*	Childcare in day nurseries	Ordinary	100%
Butterfly Blue Day Nurseries Limited*	Childcare in day nurseries	Ordinary	100%

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

14. Fixed asset investments (continued)

Subsidiary undertakings (continued) (continued)

* Indirect subsidiary

The registered office of Wee Gems Holdings Limited, Wee Gems Livingston Limited, Children's Hour Limited, Pilrig Children's Nursery Limited, Pear Tree Nurseries Limited, Croileagan Nurseries Limited, Wee Gems Armadale Limited, Wee Gems Corstorphine Limited and Wee Gems Limited is Argyll House, Quarrywood Court, Livingston, Scotland, EH54 6AX.

The registered office off all remaining companies is 1 Pride Point Drive, Pride Park, Derby, England, DE24 8BX.

The Company agrees to guarantee the liabilities of all of its subsidiary undertakings, thereby allowing these companies to take exemption from an audit under Section 479A of the Companies Act 2006.

15. Debtors

	Group 30 June 2022 £	Company 30 June 2022 £
Trade debtors	528,078	-
Amounts owed by group undertakings	-	20,000
Amounts owed by shareholders	8,994	-
Other debtors	9,677,624	-
Prepayments and accrued income	1,778,899	-
	<u>11,993,595</u>	<u>20,000</u>

Amounts owed by group undertakings are interest free and repayable on demand.

Included within other debtors is £8,600,022 held on client account with the Group's solicitors for future acquisitions.

An impairment loss of £Nil was recognised in administrative expenses against trade debtors during the period in respect of bad or doubtful debts.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

16. Creditors: Amounts falling due within one year

	Group 30 June 2022 £	Company 30 June 2022 £
Bank overdrafts	28,618	-
Trade creditors	1,156,578	-
Corporation tax	1,173,268	-
Other taxation and social security	619,015	-
Obligations under finance lease and hire purchase contracts	491,000	-
Other creditors	3,624,617	-
Accruals and deferred income	6,871,182	-
	<u>13,964,278</u>	<u>-</u>

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

	Group 30 June 2022 £
Bank loans	105,494,193
Net obligations under finance leases and hire purchase contracts	16,401,487
	<u>121,895,680</u>

Details of the security and maturity of the loans is provided in note 18.

18. Loans

	Group 30 June 2022 £
Amounts falling due after more than 5 years	
Bank loans	<u>105,494,193</u>

Bank Loans

The loans are secured over the assets of the Group. In accordance with applicable accounting standards loan issue costs of £4,075,000 less amortisation of £484,066 have been netted off the carrying value of the loans due. The interest rates applied to the loans are Sonia + 7%. The loans are repayable in full by way of bullet repayments on 29 June 2028.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 30 June 2022 £
Within one year	491,000
Between 1-5 years	2,104,000
Over 5 years	14,297,487
	<u>16,892,487</u>

20. Deferred taxation

Group

	2022 £
Charged to profit or loss	430,684
Arising on business combinations	(1,150,127)
At end of period	<u>(719,443)</u>

The deferred taxation balance is made up as follows:

	Group 30 June 2022 £
Fixed asset timing differences	(861,370)
Tax losses	141,927
	<u>(719,443)</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

21. Provisions

Group

	Onerous lease £
Arising on business combinations	1,764,025
Utilised in 13 month period	(103,655)
At 30 June 2022	1,660,370

Following the closure of a nursery location, the Group has recognised the lease payments until the next break date, and any other repairs and maintenance costs expected.

22. Share capital

	30 June 2022 £
Allotted, called up and fully paid	
99,000,000 Preference shares of £1.00 each	99,000,000
784,594 A Ordinary shares of £0.01 each	7,846
15,406 B Ordinary shares of £0.01	154
125,000 C1 Ordinary shares of £0.01 each	1,250
	99,009,250

On 25 May 2021, 1 Ordinary share of £1 was issued for consideration of £1. On 29 June 2021, these shares were sub-divided into 100 shares of £0.01 each and were redesignated from Ordinary shares to A Ordinary shares.

On 29 June 2021, 784,494 A Ordinary shares of £0.01 each were issued for consideration of £1 per share.

On 29 June 2021, 15,406 B Ordinary shares of £0.01 each were issued for consideration of £1 per share.

On 29 June 2021, 125,000 C1 Ordinary shares of £0.01 each were issued for consideration of £1 per share.

Each share has full rights in the Company with respect to voting, dividends and distributions.

When a dividend is declared by the directors the holders of preference shares are entitled to a cumulative preferential dividend at 12% per annum on the unpaid preference principal amount of each preference share, before dividends can be declared on other share classes. The preference shares have no voting rights. The preference shares do not contain an automatic entitlement to dividends, which must be declared by the directors and have therefore been classified as equity.

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

23. Reserves

Share capital

Share capital represents the nominal value of shares issued.

Share premium account

The share premium account represents the premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

24. Consolidated analysis of net debt

	Business combination £	New bank debt £	New finance leases £	Cash flow £	Other non- cash changes £	At 30 June 2022 £
Cash at bank and in hand	11,830,648	-	-	(237,333)	-	11,593,315
Bank overdrafts	-	-	-	(28,618)	-	(28,618)
Debt due after 1 year	(100,438,424)	(109,090,000)	-	104,513,424	(479,193)	(105,494,193)
Debt due within 1 year	(262,522)	-	-	262,522	-	-
Finance leases	-	-	(16,899,815)	7,328	-	(16,892,487)
	<u>(88,870,298)</u>	<u>109,090,000</u>	<u>(16,899,815)</u>	<u>104,517,323</u>	<u>(479,193)</u>	<u>(110,821,983)</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations

Acquisition of Bright Stars Nursery Holdings Limited

On 29 June 2021, the Group acquired 100% of the shares in Bright Stars Nursery Holdings Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	19,725,769	2,419,677	22,145,446
Intangible	3,778,867	-	3,778,867
	23,504,636	2,419,677	25,924,313
Current assets			
Debtors due within one year	3,298,197	230,850	3,529,047
Cash	8,552,702	-	8,552,702
Total assets	35,355,535	2,650,527	38,006,062
Creditors			
Due within one year	(7,235,600)	44,011	(7,191,589)
Due after more than one year	(95,905,534)	-	(95,905,534)
Deferred tax	(512,612)	(597,869)	(1,110,481)
Other provisions	(1,764,025)	-	(1,764,025)
Total liabilities	(105,417,771)	(553,858)	(105,971,629)
Total identifiable net liabilities			(67,965,567)
Goodwill			157,307,803
Total purchase consideration			89,342,236
Consideration			
Cash			81,621,962
Equity instruments			2,047,000
Deferred consideration			2,212,836
Directly attributable costs			3,460,438
Total purchase consideration			89,342,236

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Bright Stars Nursery Holdings Limited (continued)

	£
Cash outflow on acquisition	
Purchase consideration settled in cash, as above	81,621,962
Directly attributable costs	3,460,438
	85,082,400
Less: Cash and cash equivalents acquired	(8,552,702)
Net cash outflow on acquisition	76,529,698

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Little Learners (Skegness) Limited

On 10 December 2021, the Group acquired 100% of the shares in Little Learners (Skegness) Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	114,081	-	114,081
	114,081	-	114,081
Current assets			
Stock	650	-	650
Debtors due within one year	25,995	-	25,995
Cash	9,585	-	9,585
	150,311	-	150,311
Creditors			
Due within one year	(120,162)	-	(120,162)
	30,149	-	30,149
Total identifiable net assets			
			985,946
Total purchase consideration			1,016,095
Consideration			
Cash			935,739
Directly attributable costs			80,356
Total purchase consideration			1,016,095
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			935,739
Directly attributable costs			80,356
			1,016,095
Less: Cash and cash equivalents acquired			(9,585)
Net cash outflow on acquisition			1,006,510

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Ducklings Childcare (Godmanchester) Limited

On 20 January 2022, the Group acquired 100% of the shares in Ducklings Childcare (Godmanchester) Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	113,903	-	113,903
	113,903	-	113,903
Current assets			
Debtors due within one year	249,636	-	249,636
Cash	43,222	-	43,222
Total assets	406,761	-	406,761
Creditors			
Due within one year	(68,335)	-	(68,335)
Total identifiable net assets	338,426	-	338,426
Goodwill			364,892
Total purchase consideration			703,318
Consideration			
Cash			566,645
Directly attributable costs			136,673
Total purchase consideration			703,318
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			566,645
Directly attributable costs			136,673
			703,318
Less: Cash and cash equivalents acquired			(43,222)
Net cash outflow on acquisition			660,096

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Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Future Champions (Holdings) Limited

On 4 March 2022, the Group acquired 100% of the shares in Future Champions (Holdings) Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	3,438,338	-	3,438,338
	3,438,338	-	3,438,338
Current assets			
Debtors due within one year	33,283	-	33,283
Cash	147,917	-	147,917
	3,619,538	-	3,619,538
Creditors			
Due within one year	(330,167)	-	(330,167)
Due after more than one year	(2,072,385)	-	(2,072,385)
Deferred tax	(7,758)	-	(7,758)
	1,209,228	-	1,209,228
Goodwill			2,193,630
Total purchase consideration			3,402,858
Consideration			
Cash			3,282,401
Directly attributable costs			120,457
Total purchase consideration			3,402,858
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			3,282,401
Directly attributable costs			120,457
			3,402,858
Less: Cash and cash equivalents acquired			(147,917)
Net cash outflow on acquisition			3,254,941

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Wee Gems Holdings Limited

On 22 March 2022, the Group acquired 100% of the shares in Wee Gems Holdings Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	371,411	-	371,411
	371,411	-	371,411
Current assets			
Stock	13,941	-	13,941
Debtors due within one year	66,780	-	66,780
Cash	561,302	-	561,302
Total assets	1,013,434	-	1,013,434
Creditors			
Due within one year	(246,485)	-	(246,485)
Deferred tax	(5,506)	-	(5,506)
Total identifiable net assets	761,443	-	761,443
Goodwill			4,486,834
Total purchase consideration			5,248,277
Consideration			
Cash			5,080,000
Directly attributable costs			168,277
Total purchase consideration			5,248,277
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			5,080,000
			168,277
			5,248,277
Less: Cash and cash equivalents acquired			(561,302)
Net cash outflow on acquisition			4,686,975

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Children's Hour Limited

On 31 May 2022, the Group acquired 100% of the shares in Children's Hour Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	510,759	-	510,759
	<u>510,759</u>	<u>-</u>	<u>510,759</u>
Current assets			
Debtors due within one year	270,934	-	270,934
Cash	51,973	-	51,973
	<u>833,666</u>	<u>-</u>	<u>833,666</u>
Total assets			
Creditors			
Due within one year	(112,997)	-	(112,997)
Due are more than one year	(273,933)		(273,933)
Deferred tax	(10,530)		(10,530)
	<u>436,206</u>	<u>-</u>	<u>436,206</u>
Total identifiable net assets			
Goodwill			1,496,495
Total purchase consideration			<u>1,932,701</u>
Consideration			
Cash			1,881,030
Directly attributable costs			51,671
Total purchase consideration			<u>1,932,701</u>
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			1,881,030
Directly attributable costs			51,671
			<u>1,932,701</u>
Less: Cash and cash equivalents acquired			(51,973)
Net cash outflow on acquisition			<u>1,880,728</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Pilrig Children's Nursery Limited

On 18 May 2022, the Group acquired 100% of the shares in Pilrig Children's Nursery Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	3,995	-	3,995
	<u>3,995</u>	<u>-</u>	<u>3,995</u>
Current assets			
Debtors due within one year	47,004	-	47,004
Cash	758,138	-	758,138
	<u>809,137</u>	<u>-</u>	<u>809,137</u>
Total assets			
Creditors			
Due within one year	(256,454)	-	(256,454)
Deferred tax	(535)		(535)
	<u>552,148</u>	<u>-</u>	<u>552,148</u>
Total identifiable net assets			
Goodwill			1,244,974
Total purchase consideration			<u>1,797,122</u>
Consideration			
Cash			1,688,972
Directly attributable costs			108,150
Total purchase consideration			<u>1,797,122</u>
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			1,688,972
Directly attributable costs			108,150
			<u>1,797,122</u>
Less: Cash and cash equivalents acquired			(758,138)
Net cash outflow on acquisition			<u>1,038,984</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Pear Tree Nurseries Limited

On 6 June 2022, the Group acquired 100% of the shares in Pear Tree Nurseries Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	-	-	-
	-	-	-
Current assets			
Debtors due within one year	12,130	-	12,130
Cash	1,306,611	-	1,306,611
Total assets	1,318,741	-	1,318,741
Creditors			
Due within one year	(693,929)	-	(693,929)
Total identifiable net assets	624,812	-	624,812
Goodwill			14,250,500
Total purchase consideration			14,875,312
Consideration			
Cash			14,754,812
Directly attributable costs			120,500
Total purchase consideration			14,875,312
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			14,754,812
Directly attributable costs			120,500
			14,875,312
Less: Cash and cash equivalents acquired			(1,306,611)
Net cash outflow on acquisition			13,568,701

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of Butterfly Blue Day Nurseries Limited

On 13 April 2022, the Group acquired 100% of the shares in Butterfly Blue Day Nurseries Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	391,339	-	391,339
	<u>391,339</u>	<u>-</u>	<u>391,339</u>
Current assets			
Debtors due within one year	4,500	-	4,500
Cash	399,198	-	399,198
	<u>795,037</u>	<u>-</u>	<u>795,037</u>
Total assets			
Creditors			
Due within one year	(185,648)	-	(185,648)
Deferred tax	(4,276)	-	(4,276)
	<u>605,113</u>	<u>-</u>	<u>605,113</u>
Total identifiable net assets			
Goodwill			799,204
			<u>1,404,317</u>
Total purchase consideration			
Consideration			
Cash			1,263,257
Directly attributable costs			141,060
			<u>1,404,317</u>
Total purchase consideration			
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			1,263,257
Directly attributable costs			141,060
			<u>1,404,317</u>
Less: Cash and cash equivalents acquired			(399,198)
			<u>1,005,119</u>
Net cash outflow on acquisition			

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

25. Business combinations (continued)

Acquisition of The Red House Day Nursery

On 5 November 2021, the Group acquired the trade and assets of The Red House Day Nursery.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	967,000	-	967,000
	<u>967,000</u>	<u>-</u>	<u>967,000</u>
Current assets			
Debtors due within one year	-	-	-
Cash	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>967,000</u>	<u>-</u>	<u>967,000</u>
Creditors			
Due within one year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total identifiable net assets	<u>967,000</u>	<u>-</u>	<u>967,000</u>
Goodwill			486,522
Total purchase consideration			<u>1,453,522</u>
Consideration			
Cash			1,348,838
Directly attributable costs			104,684
			<u>1,453,522</u>
Total purchase consideration			<u>1,453,522</u>
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			1,348,838
Directly attributable costs			104,684
			<u>1,453,522</u>
Less: Cash and cash equivalents acquired			-
Net cash outflow on acquisition			<u>1,453,522</u>

Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited)

Notes to the Financial Statements For the 13 month period ended 30 June 2022

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £349,183.

27. Commitments under operating leases

At 30 June 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 30 June 2022 £
Not later than 1 year	2,506,168
Later than 1 year and not later than 5 years	9,935,745
Later than 5 years	92,215,686
	<u>104,657,599</u>

28. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the Group.

Key Management Personnel comprise the directors and senior management. Total remuneration of £602,672 was paid to key management personnel during the period.

During the period the directors acquired 15,406 B ordinary shares of £0.01 for £1 each, 125,000 C1 ordinary shares of £0.01 for £1 each and £1,906,594 preference shares of £1 for £1 each.

29. Post balance sheet events

Following the year end and up to the date of this report a further 7 private day nursery business have been acquired across 19 settings for a combined consideration of £49,089,062.

30. Controlling party

The directors consider the ultimate controlling party to be Peter Dubens.