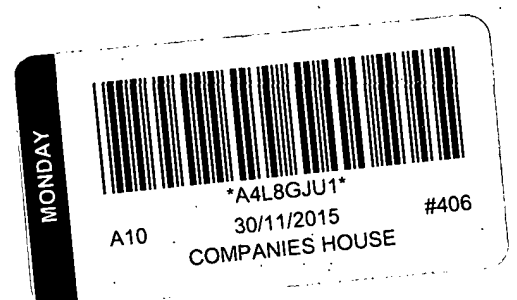


KINDERSTART DAY NURSERIES LIMITED

**Annual report and financial statements
for the year ended 28 February 2015**

Registered number: 04666917



KINDERSTART DAY NURSERIES LIMITED

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KINDERSTART DAY NURSERIES LIMITED

COMPANY INFORMATION

DIRECTOR A Morris

COMPANY SECRETARY A Sage

REGISTERED NUMBER 04666917

REGISTERED OFFICE Asquith House
34 Germain Street
Chesham
HP5 1LH

INDEPENDENT AUDITORS PricewaterhouseCoopers LLP
10 Bricket Road
St Albans
Hertfordshire
AL1 3JX

KINDERSTART DAY NURSERIES LIMITED

DIRECTOR'S REPORT for the year ended 28 February 2015

The director presents his report and the financial statements for the year ended 28 February 2015.

PRINCIPAL ACTIVITY

The principal activity of the company is the operation of private day nurseries.

DIRECTOR

The director of the company who was in office during the year and up to the date of signing the audited financial statements was:

A Morris

SMALL COMPANIES EXEMPTION

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

In preparing the financial statements the director has taken the small companies exemption from preparing a strategic report.

BUSINESS REVIEW	2015	2014
Turnover	1,845,424	1,850,256
Operating profit	161,799	283,884

The company uses a number of financial key performance indicators ("KPIs") to identify and measure its performance with the main KPI being occupancy within the nurseries.

The average number of full time equivalent ("FTE") children during the year was 143 (2014: 147 FTEs).

DISABLED EMPLOYEES

The company's policy is to ensure that all employees are fully trained and aware of all matters likely to affect employees' interests through regular communication and consultation. Training and support is available to all employees and full and fair consideration is given to applications for employment from all persons, including disabled persons.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

At the time the report is approved there is a qualifying third party indemnity provision in place for the benefit of the director under a policy taken out by the parent company, Conchord Limited.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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's auditors are aware of that information.

KINDERSTART DAY NURSERIES LIMITED

DIRECTOR'S REPORT
for the year ended 28 February 2015

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 October 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'A Morris', written over a horizontal line.

A Morris
Director

KINDERSTART DAY NURSERIES LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent auditors' report to the members of Kinderstart Day Nurseries Limited

Our opinion

In our opinion, Kinderstart Day Nurseries Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its profit 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.
-

What we have audited

Kinderstart Day Nurseries Limited's financial statements comprise:

- the Balance Sheet as at 28 February 2015;
- the Profit and Loss and Statement of Total Recognised Gains and Losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

28 October

KINDERSTART DAY NURSERIES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2015**

	Note	2015 £	2014 £
TURNOVER	1	1,845,424	1,850,256
Other administrative expenses		(646,127)	(567,593)
Staff costs	2	(952,402)	(888,600)
Depreciation and amortisation		(85,096)	(110,179)
OPERATING PROFIT	3	161,799	283,884
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		161,799	283,884
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR	10	161,799	283,884

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 10 to 16 form part of these financial statements.

KINDERSTART DAY NURSERIES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 28 FEBRUARY 2015**

	Note	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR		161,799	283,884
Gain on revaluation of freehold and long leasehold land and buildings		619,260	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		781,059	283,884

The notes on pages 10 to 16 form part of these financial statements.

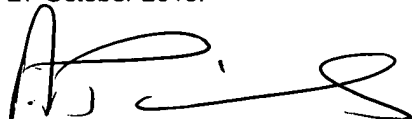
KINDERSTART DAY NURSERIES LIMITED
REGISTERED NUMBER: 04666917

BALANCE SHEET
AS AT 28 FEBRUARY 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Intangible assets	5		69,166		77,878
Tangible assets	6		1,550,489		921,858
			<u>1,619,655</u>		<u>999,736</u>
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	7	441,923		226,621	
Debtors: amounts falling due within one year	7	37,660		35,234	
Cash at bank and in hand		550		550	
		<u>480,133</u>		<u>262,405</u>	
CREDITORS: amounts falling due within one year	8	<u>(223,235)</u>		<u>(166,647)</u>	
NET CURRENT ASSETS			<u>256,898</u>		<u>95,758</u>
NET ASSETS			<u><u>1,876,553</u></u>		<u><u>1,095,494</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		296,000		296,000
Share premium account	10		79,000		79,000
Revaluation reserve	10		1,003,203		383,943
Profit and loss account	10		498,350		336,551
SHAREHOLDERS' FUNDS			<u><u>1,876,553</u></u>		<u><u>1,095,494</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 October 2015.



A Morris
Director

The notes on pages 10 to 16 form part of these financial statements.

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies have been applied consistently throughout the year.

The P&L format has changed year on year to present revenue and expenses by type rather than by nature.

1.2 Going concern

The director has obtained confirmation from Conchord Limited, the Company's parent undertaking, that it will provide sufficient financial support to the company to ensure it can meet its obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. Accordingly the director has determined that the going concern basis is appropriate.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Cash flow statement and related party transactions

The company is a wholly-owned subsidiary of Conchord Limited and is included in the consolidated financial statements of Conchord Limited, which are publicly available. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of FRS 1.

The company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Conchord Limited group.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Long-term leasehold property	-	the length of the lease
Fixtures and fittings	-	10% to 33% per annum on cost

1.8 Revaluation of tangible fixed assets

The group's policy is to undertake a full revaluation of its freehold buildings at least every five years by a qualified valuer. Where the group anticipates that there has been any material change in the valuation in the intervening years than an interim valuation will be carried out. Any material changes to the value of the properties as a result of a revised valuation will be displayed separately in the revaluation reserve of the balance sheet and movements shown in the statement of total recognised gains and losses.

1.9 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

2. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	892,670	836,882
Social security costs	55,418	49,335
Other pension costs	4,314	2,383
	<u>952,402</u>	<u>888,600</u>

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

	2015 Number	2014 Number
Nursery staff	<u>70</u>	<u>72</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

	2015 £	2014 £
Amortisation - intangible fixed assets	8,712	8,713
Depreciation of tangible fixed assets:		
- owned by the company	76,383	101,466
Pension costs	4,314	2,383
Social security costs	55,418	49,335
Wages and salaries (note 2)	<u>952,402</u>	<u>888,600</u>

During the year, no director received any emoluments (2014: Nil). Director emoluments were borne by another company within the group during the year.

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

4. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>161,799</u>	<u>283,884</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	34,247	65,529
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,844)	-
Capital allowances for year in excess of depreciation	3,938	10,770
Group relief	(36,341)	(76,299)
Current tax charge for the year	<u>-</u>	<u>-</u>

There is no material difference between the capital allowances and depreciation charge and therefore no deferred tax has been recognised in this respect.

Factors that may affect the future tax charge:

The standard rate of corporation tax in the UK changed from 23% to 21% on 1 April 2014. Further changes to the UK's corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 20% from 1 April 2015.

5. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 March 2014 and 28 February 2015	<u>174,250</u>
Accumulated Amortisation	
At 1 March 2014	96,372
Charge for the year	8,712
At 28 February 2015	<u>105,084</u>
Net book value	
At 28 February 2015	<u>69,166</u>
At 28 February 2014	<u>77,878</u>

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

6. TANGIBLE FIXED ASSETS

	Freehold property £	Short-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 March 2014	755,000	500,133	191,025	1,446,158
Additions	1,604	60,983	23,167	85,754
Revaluation	563,396	-	-	563,396
At 28 February 2015	1,320,000	561,116	214,192	2,095,308
Depreciation				
At 1 March 2014	37,506	342,330	144,464	524,300
Charge for the year	18,358	32,846	25,179	76,383
On revalued assets	(55,864)	-	-	(55,864)
At 28 February 2015	-	375,176	169,643	544,819
Net book value				
At 28 February 2015	1,320,000	185,940	44,549	1,550,489
At 28 February 2014	717,494	157,803	46,561	921,858

The company's freehold and long leasehold land and buildings were valued on 1 July 2013, on the basis of existing use value by independent qualified valuers. The valuations were undertaken in accordance with the RICS Valuation - Professional Standards (2012) by CBRE, a firm of independent Chartered Surveyors.

The director of the company undertook an internal revaluation exercise at the year end which increased the freehold property value from £728,950 to £1,320,000. This was not a formal re-valuation however the approach taken was similar to the CBRE methodology taken in 2013 and the assumptions and have been reviewed by external property valuers. The effect of this revaluation has been incorporated into the financial statements and the resulting revaluation adjustment has been taken to the reserves (note 10)

If the revalued assets were stated on the historical cost basis, the amounts would be as follows:

Freehold land and buildings

	2015 £	2014 £
At cost	754,820	754,820
Aggregate depreciation	(25,870)	(14,963)
Net book value based on historical cost	728,950	739,857

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

7. DEBTORS

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	<u>441,923</u>	<u>226,621</u>
	2015 £	2014 £
Due within one year		
Trade debtors	946	5,788
Prepayments and accrued income	<u>36,714</u>	<u>29,446</u>
	<u>37,660</u>	<u>35,234</u>

Amounts owed by group companies are unsecured, interest free and have no fixed terms of repayment.

The director of the company for Chestnutbay Acquisitionco Limited has provided confirmation to the companies with whom inter-company debtors are held, that these amounts will be not be payable for a period of at least 12 months from approval of these financial statements.

8. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Corporation tax	48,876	48,876
Accruals	43,943	4,115
Other creditors	<u>130,416</u>	<u>113,656</u>
	<u>223,235</u>	<u>166,647</u>

Included within other creditors are grants received not yet utilised. These may be repayable if they remain unutilised. These amount to £66,521 (2014: £50,715).

9. SHARE CAPITAL

	2015 £	2014 £
Authorised		
335,000 (2014: 335,000) Ordinary shares shares of £1 each	<u>335,000</u>	<u>335,000</u>
Allotted, called up and fully paid		
296,000 (2014: 296,000) Ordinary shares shares of £1 each	<u>296,000</u>	<u>296,000</u>

KINDERSTART DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2015

10. RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 March 2014	79,000	383,943	336,551
Profit for the financial year	-	-	161,799
Surplus on revaluation of freehold property	-	619,260	-
At 28 February 2015	<u>79,000</u>	<u>1,003,203</u>	<u>498,350</u>

An internal revaluation of the company's freehold property at the balance sheet date was undertaken in September 2015.

11. OPERATING LEASE COMMITMENTS

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	148,912	-
Expiring in over 5 years	<u>135,461</u>	<u>226,708</u>

12. CONTINGENT LIABILITIES

As at 28 February 2015, a composite guarantee by each of the companies in the group existed in favour of Kaupthing hf as security for the group's loans of £44.5 million (2014: £44.5 million).

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Asquith Court Holdings Limited.

Conchord Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 28 February 2015. Chestnutbay AcquisitionCo Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 28 February 2015. Copies of the consolidated financial statements of Conchord Limited and Chestnutbay AcquisitionCo Limited may be obtained from the Secretary at the company's registered office, Asquith House, 34 Germain Street, Chesham, Buckinghamshire, HP5 1LH. The company's ultimate parent undertaking and controlling party is Kaupthing hf, a company incorporated in Iceland.