

Hillside House Nursery Limited

Directors' Report and Unaudited

Financial Statements

Period Ended

30 June 2021

Company Number 05121637

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Hillside House Nursery Limited

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Company Information

Directors	S M Booty D Harrison C E Wilson
Registered number	05121637
Registered office	1 Pride Point Drive Pride Park Derby England DE24 8BX
Accountants	BDO LLP Two Snowhill Birmingham B4 6GA

Hillside House Nursery Limited

Directors' Report For the Period Ended 30 June 2021

The Directors present their report and the unaudited financial statements for the period ended 30 June 2021.

Principal activity

The Company's principal activity is the provision of children's day nurseries services.

Directors

The Directors who served during the period and up to the date of this report were:

H Miller (resigned 30 November 2021)
S M Booty (appointed 29 June 2021)
D Harrison (appointed 29 June 2021)
C E Wilson (appointed 29 June 2021)

Going concern

The Company is part of a Group of children's day nursery businesses and provides security to the Group wide banking and debt facilities. Therefore, in assessing the going concern of the Company the Directors have considered the Group position with reference to the Group debt facilities.

Based on their experience of the period since the outbreak of the virus and engagement with customers and other stakeholders, the Directors and senior management team have updated their forecasting model to reflect their expectations for the foreseeable future, being a period of 12 months from the approval of the financial statements to December 2022. Based on occupancy growth since re-opening and current occupancy levels across the trading entities in the group the Directors are satisfied that the Group and Company can satisfy liabilities when they fall due and comply with relevant banking covenants.

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

Qualifying third party indemnity provisions

The Company held qualifying professional indemnity insurance during the period for the benefit of one or more Directors.

Exemption from audit by parent guarantee

The ultimate parent company, ICP Education Holdings Limited (formerly ICP Nurseries Holdings Limited), has agreed to guarantee the liabilities of the Company thereby allowing it to take exemption from audit under section 479A of the Companies Act 2006.

Small companies note

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

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



C E Wilson
Director

Date: 21 January 2022

Hillside House Nursery Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Hillside House Nursery Limited For the Period Ended 30 June 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Hillside House Nursery Limited for the period ended 30 June 2021 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at:

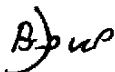
<https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Hillside House Nursery Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Hillside House Nursery Limited. You consider that Hillside House Nursery Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Hillside House Nursery Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the Board of Directors of Hillside House Nursery Limited, as a body, in accordance with the terms of our engagement letter dated 1 May 2020. Our work has been undertaken solely to prepare for your approval the accounts of Hillside House Nursery Limited and state those matters that we have agreed to state to the Board of Directors of Hillside House Nursery Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hillside House Nursery Limited and its Board of Directors as a body for our work or for this report.



BDO LLP
Birmingham
United Kingdom

Date: 24 January 2022

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

Hillside House Nursery Limited

Statement of Income and Retained Earnings For the Period Ended 30 June 2021

	Note	15 month period ended 30 June 2021 £	7 month period ended 31 March 2020 £
Turnover		1,766,764	863,899
Cost of sales		(1,025,385)	(437,697)
Gross profit		741,379	426,202
Administrative expenses		(309,389)	(148,271)
Other operating income	4	206,843	-
Operating profit		638,833	277,931
Interest receivable and similar income		-	92
Interest payable and similar expenses		(1,661)	(47)
Profit before tax		637,172	277,976
Tax on profit		(191,061)	(38,059)
Profit after tax		446,111	239,917
Retained earnings at the beginning of the period		1,632,405	1,392,488
Profit for the period		446,111	239,917
Retained earnings at the end of the period		2,078,516	1,632,405

There was no other comprehensive income for 2021 (period ended 31 March 2020 - £Nil).

All amounts relate to continuing activities.

The notes on pages 6 to 13 form part of these financial statements.

Hillside House Nursery Limited
Registered number:05121637

Statement of Financial Position
As at 30 June 2021

	Notes	30 June 2021 £	30 June 2021 £	31 March 2020 £	31 March 2020 £
Fixed assets					
Intangible assets	6	-	-	-	-
Tangible assets	7	1,957,838	1,957,838	2,018,806	2,018,806
			<u>1,957,838</u>		<u>2,018,806</u>
Current assets					
Debtors: amounts falling due within one year	8	840,835		255,656	
Cash at bank and in hand		131,846		64,546	
		<u>972,681</u>		<u>320,202</u>	
Creditors: amounts falling due within one year	9	(851,417)		(702,863)	
Net current assets/(liabilities)			<u>121,264</u>		<u>(382,661)</u>
Total assets less current liabilities			<u>2,079,102</u>		<u>1,636,145</u>
Provisions for liabilities					
Deferred tax			(486)		(3,640)
Net assets			<u>2,078,616</u>		<u>1,632,505</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss account			2,078,516		1,632,405
			<u>2,078,616</u>		<u>1,632,505</u>

Hillside House Nursery Limited

Registered number:05121637

Statement of Financial Position (continued) As at 30 June 2021

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

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

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

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



C E Wilson
Director

Date: 21 January 2022

The notes on pages 6 to 13 form part of these financial statements.

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

1. General information

Hillside House Nursery Limited is a private company, limited by shares, registered in England and Wales under the Companies Act 2006. The registered office is shown on the Company Information page and the nature of the Company's operations and its principal activities are outlined in the Directors' 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

The following principal accounting policies have been consistently applied:

2.2 Going concern

The Company is part of a Group of children's day nursery businesses and provides security to the Group wide banking and debt facilities. Therefore, in assessing the going concern of the Company the Directors have considered the Group position with reference to the Group debt facilities.

Based on their experience of the period since the outbreak of the virus and engagement with customers and other stakeholders, the Directors and senior management team have updated their forecasting model to reflect their expectations for the foreseeable future, being a period of 12 months from the approval of the financial statements to December 2022. Based on occupancy growth since re-opening and current occupancy levels across the trading entities in the group the Directors are satisfied that the Group and Company can satisfy liabilities when they fall due and comply with relevant banking covenants.

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

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

2. Accounting policies (continued)

2.3 Turnover

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

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Pensions

Defined contribution pension plan

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

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

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.8 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.

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.

2.9 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.

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line or reducing balance method..

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Fixtures and fittings	- 20% - 33% straight line
Office equipment	- 20% - 33% straight line

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 Statement of Income and Retained Earnings.

2.10 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.

2.11 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation of tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. Residual value assessment considers issues such as the remaining life of the asset and the projected disposal value.

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

4. Other operating income

	30 June 2021 £	31 March 2020 £
Government grants receivable	122,980	-
Insurance claims receivable	83,863	-
	<u>206,843</u>	<u>-</u>

5. Employees

The average monthly number of employees, including Directors, during the period was 41 (2020 - 41).

6. Intangible assets

	Goodwill £
Cost	
At 1 April 2020 and 30 June 2021	<u>60,000</u>
Amortisation	
At 1 April 2020 and 30 June 2021	<u>60,000</u>
Net book value	
At 31 March 2020 and 30 June 2021	<u>-</u>

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

7. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2020	2,014,504	142,032	1,905	2,158,441
Additions	-	22,474	6,548	29,022
At 30 June 2021	2,014,504	164,506	8,453	2,187,463
Depreciation				
At 1 April 2020	21,831	117,645	159	139,635
Charge for the period	50,363	37,831	1,796	89,990
At 30 June 2021	72,194	155,476	1,955	229,625
Net book value				
At 30 June 2021	1,942,310	9,030	6,498	1,957,838
At 31 March 2020	1,992,673	24,387	1,746	2,018,806

8. Debtors

	30 June 2021 £	31 March 2020 £
Trade debtors	2,044	5,045
Amounts owed by group undertakings	827,414	244,670
Prepayments and accrued income	11,377	5,941
	840,835	255,656

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

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

9. Creditors: Amounts falling due within one year

	30 June 2021 £	31 March 2020 £
Trade creditors	20,080	8,542
Amounts owed to group undertakings	442,017	442,017
Corporation tax	199,082	159,659
Other taxation and social security	11,801	5,655
Other creditors	2,449	1,642
Accruals and deferred income	175,988	85,348
	<u>851,417</u>	<u>702,863</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Contingent liabilities

OakNorth Bank PLC has registered a fixed charge over the property and assets of the Company as security for the bank loan issued to Cresswell Nurseries Limited, the immediate parent undertaking.

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,441 within the period (2020 - £4,604). Contributions totalling £2,449 (2020 - £1,642) were payable to the fund at the reporting date and are included in creditors.

12. Commitments under operating leases

At 30 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	30 June 2021 £	31 March 2020 £
Not later than 1 year	-	1,008

13. Related party transactions

The Company has taken advantage of the exemption available in Section 1AC.35 of FRS 102, whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the Group.

Hillside House Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the Company is Cresswell Nurseries Limited, a company registered in England and Wales at 1 Pride Point Drive, Pride Park, Derby, DE24 8BX.

During the period the ultimate parent undertaking of the Company changed from Cresswell Nurseries Holdings Limited to ICP Education Holdings Limited (formerly ICP Nurseries Holdings Limited), a company registered in England and Wales at 1 Pride Point Drive, Pride Park, Derby, DE24 8BX.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is ICP Education Holdings Limited (formerly ICP Nurseries Holdings Limited). Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.