

Company registration number 10519700 (England and Wales)

GRANDIR UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



GRANDIR UK LIMITED

COMPANY INFORMATION

Directors	J-E Rodocanachi	
	C Lawson	
	G Le Sourd	
	L Hopper	
	H Young	(Appointed 23 February 2023)
	M J Moore	(Appointed 23 February 2023)
Secretary	Prism Cosec Limited	
Company number	10519700	
Registered office	Tuscany House White Hart Lane Basingstoke Hampshire United Kingdom RG21 4AF	
Auditor	Azets Audit Services 2 Regan Way Chetwynd Business Park Chilwell Nottingham United Kingdom NG9 6RZ	

GRANDIR UK LIMITED

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GRANDIR UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

Child F I E steadily increased throughout the year, ending above the levels seen pre-Covid. The business has coped well during the last three years and further growth has seen the group return to pre-covid levels in 2022.

Grandir UK Limited completed the acquisition of nineteen further nurseries resulting in a total of 70 nurseries at the end of the year. The directors have successfully integrated these nurseries into the existing portfolio to expand the group's footprint, standardising processes and implementing common systems throughout this process. The group continues to look for further acquisitions to complement and expand its existing portfolio. 2023 is likely to be an exciting year for acquisitions.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to several risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Competition

The Group operates in a competitive market particularly around service quality and price. This results not only in downward pressure on our profits but also in the risk that we will not meet our customers' expectations. In order to mitigate this risk, we undertake research to understand our customers' expectations and whether their needs are being met. Furthermore, our management monitor competitor pricing on an ongoing basis.

Health and safety

Due to the nature of the Group's operations, the childcare function monitors health and safety risk related to children and staff and ensures that government guidelines on such policies are adhered to. The Group prides itself on the quality of the childcare provided and continues to invest in dedicated personnel to constantly improve and train our staff on the practices delivered. The Group also has in place a Corporate Risk Register that it actively manages against.

Employees

The Group's performance depends largely on its nursery managers and staff. The resignation of key individuals and the inability to recruit people could adversely impact the Group's results. To mitigate these issues the Group continues to offer sector leading employment packages and training programmes for all employees that are designed to retain key individuals as well as employing an in-house recruitment team to adequately source nursery staff. The Group recognises that adequate staffing levels is the key challenge facing the nursery industry and continues to develop innovative ways to manage this issue.

Government Inspections

The nurseries are subject to regular Ofsted inspections. An inspection failure could be highly detrimental to nursery performance. In order to mitigate this risk and ensure that childcare standards are of the highest order, our childcare function performs regular and unannounced inspections of our nurseries.

GRANDIR UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

The Group monitors a range of key data ratios and numerical trends as an integral part of managing and understanding the business. The main indicators used in addition to the financial performance of the Group are shown below:

Full time equivalents

- Capacity FTE – 5,735 (2021: 4,381)
- Average FTE – 4,057 (2021: 2,999)
- Average target Occupancy – 74.7% (2021: 69.3%)
- Average Actual Occupancy – 70.7% (2021: 68.2%)
- Average monthly fees per child (£) Target - £1,509.96 (2021: £1,296.75)
- Average weekly fees per child (£) Actual - £1,510.19 (2021: £1,291.00)
- Average staff costs per child FTE Target - £857.06 (2021: £682.93)
- Average staff costs per child FTE Actual - £938.83 (2021: £682.08)

On a like for like basis, turnover was 11% up on 2021 for the existing nurseries that had fully traded in both 2021 and 2022. In addition, the like for like trading nurseries revenue in 2022 was 53% up on 2019, confirming the post-Covid recovery. Child FTE average occupancy for all nurseries in 2022 was 72% compared to 68% in 2021. Total nursery EBITDA was £0.6m (5%) up on the previous year, again highlighting the post-Covid recovery.

GRANDIR UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

S172 statement

Kiddi Caru Day Nurseries Group was founded in 1998 upon wholly ethical ideals to promote quality day nursery provision. The group was acquired in 2017 by Grandir SAS and has been a positive platform from which to grow Grandir UK which today operates 70 day nurseries across different brands with a further acquisition pipeline in place. Our organisation is committed to delivering outstanding childcare solutions to families with babies, toddlers and preschool children.

This is our promise to our families (customers):

Our Mission

Proud to provide exceptional education and care with every child and family at the centre.

Our Vision

Inspiring lifelong learning by recognising and realising the unique potential of every child.

Employee Engagement

We take pride in our commitment to our staff, and in their commitment to the children. As an experienced provider of childcare, we recognise the clear link between well-qualified, enthusiastic staff and high-quality childcare and education.

Our goals and values are the same throughout the organisation and complement our family (customers) values:



We offer a fantastic benefits package to our staff: competitive salary, pension, training, and generous holidays. Our Reward and Recognition scheme not only complements our organisational values but is simple, effective and inclusive. All staff actively participate in our employee appreciation month and our annual satisfaction survey.

GRANDIR UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Staff have the opportunity to attend varied training sessions throughout the year, designed to improve and extend their practice in working with children. Such training contributes to ensuring that the provision in each nursery is interesting and varied.

Our recruitment strategy and apprenticeship programme are always to employ the best talent and therefore, is inclusive. We have great opportunities for continuous professional development for all staff, irrespective of gender. We are committed to equality and inclusion across our network of nurseries.

Protecting the Environment

As part of our Education Strategy 'Foundations for the Future', our entire network is committed to achieving the EcoSchool Green Flag Award by late 2023 with full involvement of staff, children and families.

The focus being to embed practices to support our pillars of learning to ensure our staff empower our children to become *environmentally* aware and responsible *influencers*.

Community Engagement

We are proud to support a range of local charities. Our staff and parents select causes which are close to their hearts and are linked to the centre of the local community.

Since 2014, the Kiddi Caru Day Nurseries Group has raised over £28,000 through our dedicated staff giving up their spare time and generous parent donations.

Strategy and Objectives

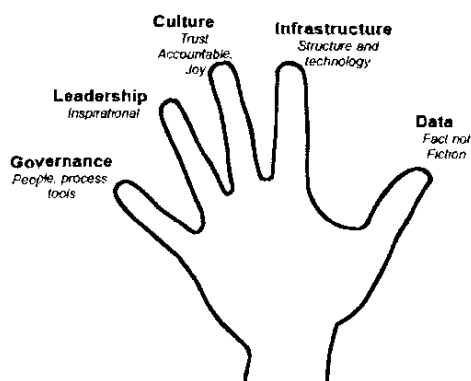
Grandir UK's strategy is to continue to reach more communities and families: providing high quality and sustainable childcare through a highly skilled and diverse workforce, creating a sustainable, innovative and socially responsible organisation.

Our objective is to continue to grow through acquisition and organically, integrating acquisitions into the group and introducing best practices. Where appropriate deliver efficiencies and economies of scale without compromising quality.

We will continue to invest in ensuring our workforce and leadership are highly engaged and mission driven.

Our overarching objectives are categorised by PEOPLE, QUALITY and PERFORMANCE with all projects and initiatives driving one of our strategic objectives.

Our enablers are crucial to our success:



GRANDIR UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Health and Safety

The safety and well being of the children in our care is our priority and with legislation changes and the regulated environment in which we operate it is necessary to operate a number of committee's to ensure practice is maintained, learning is implemented and the organisation is current. Each committee has members from every level in the organisation, an external expert where appropriate and a group director.

Decision Making

In addition to committee's as detailed above, the leadership team have monthly meetings with minutes and actions reviewed. We have a delegated authority document which is used effectively to implement and manage expenditure.

All decisions are made taking into account short, medium and long term consequences and the impact on customers, employees and the business objectives.

Fostering Relationships

The Directors appreciate the need to foster the group's business relationships with suppliers and customers. It is our policy to agree terms with our suppliers and settlement terms appropriate for the market we operate in and abide by them. We continue to work with suppliers in a collaborative manner to foster relationships and ensure combined success.

Our customers are a key driver for our success and are vitally important to us. We create an environment for both formal and informal feedback from customers and use this to create future plans for the organisation.

Impact of the group's operations on the community and the environment

We continue to work hard with our supply chains to reduce waste and the impact to the environment. In addition and as part of our Education Strategy, our entire network is committed to achieving the Eco School Green Flag Award by late 2023.

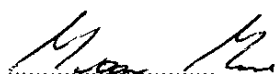
The interests of the group's employees

Our committee structure enables all employees to be involved and have a voice. We continue to work hard to create an environment where employees feel valued and are recognised. The launch of an annual employee recognition month, annual satisfaction survey and a reward and recognition scheme build on a good foundation for employees to be involved. Our structure enables monthly meetings and quarterly business updates along with an annual leadership conference.

Reputation

The Directors desire that the group maintains a reputation for high standards of business conduct and ensure that there are clear objectives and that policies and procedures are aligned with this outcome. The behaviour from the very top creates a culture for high standards and high expectations and a fair and honest approach to business. This is reflected in all interactions and documented policies to provide guidance for individuals.

On behalf of the board



M J Moore

Director

Date: 26th September 2023

GRANDIR UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continues to be that of a holding company. The principal activity of the group continues to be that of delivery of day nursery facilities for children aged between 3 months and 5 years.

During the year the group made a number of corporate acquisitions as follows:

- Day Dream Nurseries Limited - on 1 April 2022
- Rushcliffe Day Nurseries Limited - on 15 June 2022
- Toad Hall Day Nursery Limited - on 1 October 2022
- Three Little Birds "group" - on 1 November 2022

In addition the trade and assets of other nurseries were acquired by The Childcare Corporation Limited and Dicky Birds Pre School Nurseries Limited.

Results and dividends

The results for the year are set out on page 14.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J-E Rodocanachi

C Lawson

G Le Sourd

L Hopper

H Young

M J Moore

(Appointed 23 February 2023)

(Appointed 23 February 2023)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that 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 possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

GRANDIR UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to enable it to continue to meet its obligations as they fall due for a period of at least 12 months from the date these financial statements have been approved. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered current bank reserves and have prepared detailed profit and cashflow forecasts for at least 12 months from approval of these financial statements. Both the Group's immediate parent undertaking LPCR Groupe SAS and the ultimate holding company's subsidiary which finances group acquisitions (The Education Group SAS) have also provided letters of support such that they will not call upon repayment of loans from their respective companies for at least 12 months from the date these financial statements have been approved.

In light of the directors assessment of the liquidity of the business they do not consider there to be any material uncertainty relating to going concern and have continued to adopt the going concern basis of accounting in preparing the financial statements.

GRANDIR UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Energy and carbon report

Energy consumption

Grandir UK's Scope 1 & Scope 2 energy consumption for the year running from 1st Jan 2022 to 31st December 2022 totalled **4,422,984 kWh**.

Emissions

Grandir UK's emissions for

- Scope 1 direct emissions: Gas plus company cars = **529.0 tonnes CO2e** from **2,887,929 kWh** of energy used.
- Scope 2 indirect emissions: Electricity = **296.8 tonnes CO2e** from **1,535,055 kWh** of energy used.

Total Scope 1 & 2 emissions = **825.8 tonnes CO2e**

In addition Grandir produced Scope 3 emissions of **43.9 tonnes CO2e** from **192,791 kWh** associated with employee owned vehicles used for company business.

Intensity ratio

825.8 (tonnes of CO2e) divided by **£55,317,945** (Turnover as advised by Grandir for the year ending 31st December 2022)

This yields an intensity of **14.93 tonnes of CO2e per £million of turnover**.

Prior year comparison

This is the second year that SECR reporting has been performed by Grandir. In 2022 the intensity ratio was determined as **14.93 tCO2e/£m turnover (2021: 16.17 tCO2e/£m)**.

Energy efficiency actions taken in the year

Through the course of 2022 Grandir UK have undertaken the following energy saving and emissions reduction measures:

- Full time Property and H&S Director's staff has been further complemented by the addition of two facilities managers. This helps provide a stronger focus on energy use and emissions reduction
- All planned refurbishments now install low energy lighting as a matter of policy
- Unplanned refurbishments also replace failed equipment with improved efficiency equipment.
- Full asset review implemented across the business for condition assessment of existing equipment. This helps to inform the planned refurbishment program.

Methodology used in calculating emissions

Grandir UK has appointed SRD Technical, an independent Net Zero Consultancy to compile the SECR report. The report has been prepared in accordance with UK government document

- Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019).

Emissions have been calculated using:

- UK Government GHG Conversion Factors for Company Reporting (2022 Update)

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

GRANDIR UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



M J Moore

Director

Date: *26th September 2023*

GRANDIR UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRANDIR UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRANDIR UK LIMITED

Opinion

We have audited the financial statements of Grandir UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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.

GRANDIR UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GRANDIR UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

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.

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

GRANDIR UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GRANDIR UK LIMITED

Extent to which the audit was considered 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mitesh Thakrar (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: ...26/09/23...

Chartered Accountants
Statutory Auditor

2 Regan Way
Chetwynd Business Park
Chilwell
Nottingham
United Kingdom
NG9 6RZ

GRANDIR UK LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	56,094	45,990
Cost of sales		(32,927)	(27,221)
Gross profit		23,167	18,769
Administrative expenses		(25,346)	(23,262)
Other operating income		725	273
Operating loss	6	(1,454)	(4,220)
Interest receivable and similar income	8	7	1
Interest payable and similar expenses	9	(2,976)	(1,205)
Loss before taxation		(4,423)	(5,424)
Tax on loss	10	(1,722)	(1,238)
Loss for the financial year		(6,145)	(6,662)

Loss for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £'000	2021 £'000
Loss for the year	(6,145)	(6,662)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(6,145)</u>	<u>(6,662)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Goodwill	11	39,078	14,867
Other intangible assets	11	1,431	2,473
Total intangible assets		40,509	17,340
Tangible assets	13	41,549	33,563
		82,058	50,903
Current assets			
Stocks	15	87	98
Debtors	16	2,850	1,378
Cash at bank and in hand		3,557	3,571
		6,494	5,047
Creditors: amounts falling due within one year	17	(69,476)	(34,271)
Net current liabilities		(62,982)	(29,224)
Total assets less current liabilities		19,076	21,679
Creditors: amounts falling due after more than one year	18	(21,293)	(21,329)
Provisions for liabilities			
Provisions	20	2,558	-
Deferred tax liability	22	1,856	846
		(4,414)	(846)
Net liabilities		(6,631)	(496)
Capital and reserves			
Called up share capital	24	33,898	33,898
Share premium account		19	19
Profit and loss reserves		(40,548)	(34,413)
Total equity		(6,631)	(496)

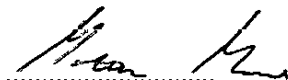
The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 26/9/23 and are signed on its behalf by:



M J Moore
Director

GRANDIR UK LIMITED

COMPANY BALANCE SHEET

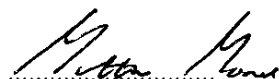
AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	12	103,067	82,097
Current assets			
Debtors	16	12,273	5,529
Cash at bank and in hand		244	266
		12,517	5,795
Creditors: amounts falling due within one year	17	(81,468)	(51,510)
Net current liabilities		(68,951)	(45,715)
Net assets		34,116	36,382
Capital and reserves			
Called up share capital	24	33,898	33,898
Share premium account		19	19
Profit and loss reserves		199	2,465
Total equity		34,116	36,382

The notes on pages 23 to 46 form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,266,000.

The financial statements were approved by the board of directors and authorised for issue on 26/9/23 and are signed on its behalf by:



M J Moore

Director

Company Registration No. 10519700

GRANDIR UK LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021		33,891	19	(27,749)	6,161
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(6,662)	(6,662)
Issue of share capital	24	7	-	-	7
Other movements		-	-	(2)	(2)
Balance at 31 December 2021		33,898	19	(34,413)	(496)
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(6,145)	(6,145)
Other movements		-	-	10	10
Balance at 31 December 2022		33,898	19	(40,548)	(6,631)

The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021		33,891	19	(3,182)	30,728
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	5,647	5,647
Issue of share capital	24	7	-	-	7
Balance at 31 December 2021		33,898	19	2,465	36,382
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(2,266)	(2,266)
Balance at 31 December 2022		33,898	19	199	34,116

The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	31	35,956	6,992
Interest paid		(2,976)	(1,205)
Income taxes paid		(1,538)	(1,907)
Net cash inflow from operating activities		31,442	3,880
Investing activities			
Purchase of control of subsidiaries		(28,661)	(2,827)
Purchase of tangible fixed assets		(2,782)	(2,367)
Proceeds on disposal of tangible fixed assets		43	66
Interest received		7	1
Net cash used in investing activities		(31,393)	(5,127)
Financing activities			
Proceeds from issue of shares		-	7
Repayment of borrowings		(49)	-
Payment of finance leases obligations		(14)	(92)
Net cash used in financing activities		(63)	(85)
Net decrease in cash and cash equivalents		(14)	(1,332)
Cash and cash equivalents at beginning of year		3,571	4,903
Cash and cash equivalents at end of year		3,557	3,571

The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	33		22,934		(2,303)
Interest paid			(1,986)		(567)
Net cash inflow/(outflow) from operating activities			20,948		(2,870)
Investing activities					
Proceeds on disposal of subsidiaries		(20,970)		(3,354)	
Dividends received		-		6,480	
Net cash (used in)/generated from investing activities			(20,970)		3,126
Financing activities					
Proceeds from issue of shares		-		7	
Net cash (used in)/generated from financing activities			-		7
Net (decrease)/increase in cash and cash equivalents			(22)		263
Cash and cash equivalents at beginning of year			266		3
Cash and cash equivalents at end of year			244		266

The notes on pages 23 to 46 form part of these financial statements.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Grandir UK Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is , Tuscany House, White Hart Lane, Basingstoke, Hampshire, United Kingdom, RG21 4AF.

The group consists of Grandir UK Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Grandir UK Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Day Dream Nurseries Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of this company for the 274 day period from its acquisition on 1 April 2022. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Rushcliffe Day Nurseries Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of this company for the 199 day period from its acquisition on 15 June 2022. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Toad Hall Day Nursery Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of this company for the 91 day period from its acquisition on 1 October 2022. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

RA Topco, 3LB Partners Limited and its subsidiary undertakings have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of these companies for the 60 day period from their acquisition on 1 November 2022. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to enable it to continue to meet its obligations as they fall due for a period of at least 12 months from the date these financial statements have been approved. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered current bank reserves and have prepared detailed profit and cashflow forecasts for at least 12 months from approval of these financial statements. Both the Group's immediate parent undertaking LPCR Groupe SAS and the ultimate holding company's subsidiary which finances group acquisitions (The Education Group SAS) have also provided letters of support such that they will not call upon repayment of loans from their respective companies for at least 12 months from the date these financial statements have been approved.

In light of the directors assessment of the liquidity of the business they do not consider there to be any material uncertainty relating to going concern and have continued to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business.

Turnover represents nursery fees and grants. These are recognised in the period in which the childcare provision is provided.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Branding	Over 5 years
----------	--------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold land and buildings	Over term of lease
Leasehold improvements	Over term of lease
Plant and equipment	25% Reducing balance and straight line
Fixtures and fittings	25% Reducing balance and straight line
IT equipment	25% Reducing balance and straight line
Motor vehicles	33.33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Assets under construction are not depreciated until such time as they are available for use.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Equity Investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.12 Financial instruments

The group only has financial instruments that are classified as basic financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The Government Job Retention Scheme grants are recognised as income over the periods when the related costs are incurred.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

The assessment of the useful economic lives and method of depreciating tangible fixed assets requires judgment. Depreciation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. The carrying amount for tangible fixed assets totalling £41,549,000 is included within note 13.

Dilapidation provision

The directors assess the estimated cost of dilapidations on leasehold properties taking into account the state that such properties are maintained at and the remaining lease period. This involves an element of estimation by the directors as to the expected costs to be incurred upon exit of a lease. The carrying amount for dilapidation provisions totalling £32,000 is included within accruals and deferred income in note 17.

Impairment of intangible fixed assets

The cost of goodwill and other separately identifiable intangible fixed assets acquired as a result of business combinations is reviewed on an annual basis by the directors for indicators of impairment. This includes an estimation of the remaining useful economic life of these intangibles. The carrying amount of goodwill totalling £39,078,000 is included within note 11.

Impairment of fixed asset investments

In the financial statements of the parent undertaking the directors estimate whether there is any impairment in the carrying value of fixed asset investments in subsidiary undertakings on an annual basis with reference to future expected performance of its subsidiaries. Any such impairment is charged to profit and loss. The carrying amount of fixed asset investments in subsidiaries included in the parent undertaking of £103,067,000 is included within note 12.

Recoverability of group balances

In the financial statements of the parent undertaking the directors estimate whether there is any impairment in the carrying value of amounts due from subsidiary undertakings on an annual basis, with reference to future expected performance and cashflows of its subsidiaries. Any such impairment is charged to profit and loss.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

	2022 £'000	2021 £'000
Turnover analysed by class of business		
Childcare provision	56,094	45,990
	2022 £'000	2021 £'000
Other significant revenue		
Interest income	7	1
Grants received	-	218

All turnover has arisen in the UK.

Included in grants received is £nil (2021: £218,000) under the Job Retention Scheme.

4 Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	10	7
Audit of the financial statements of the company's subsidiaries	132	64
	142	71
For other services		
Taxation compliance services	32	25
All other non-audit services	17	10
	49	35

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management	4	4	4	4
Nursery staff	1,779	1,555	-	-
Total	1,783	1,559	4	4

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Wages and salaries	31,126	25,352	-	-
Social security costs	1,816	1,615	-	-
Pension costs	567	539	-	-
	<u>33,509</u>	<u>27,506</u>	<u>-</u>	<u>-</u>

6 Operating loss

	2022 £'000	2021 £'000
Operating loss for the year is stated after charging/(crediting):		
Government grants	-	(218)
Depreciation of owned tangible fixed assets	1,248	1,135
Depreciation of tangible fixed assets held under finance leases	257	119
Loss/(profit) on disposal of tangible fixed assets	600	(1)
Amortisation of intangible assets	9,118	12,316
Operating lease charges	<u>1,966</u>	<u>1,285</u>

7 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	425	300
Company pension contributions to defined contribution schemes	<u>25</u>	<u>29</u>
	<u>450</u>	<u>329</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	275	198
Company pension contributions to defined contribution schemes	<u>14</u>	<u>18</u>

The number of directors of the parent undertaking for whom retirement benefits are accruing within the group under defined contribution schemes amounted to 2 (2020- 2).

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8	Interest receivable and similar income	2022	2021
		£'000	£'000
	Interest income		
	Interest on bank deposits	7	1
		<u>7</u>	<u>1</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	7	1
		<u>7</u>	<u>1</u>
9	Interest payable and similar expenses	2022	2021
		£'000	£'000
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	1	1
	Interest payable to group undertakings	2,303	567
	Other interest on financial liabilities	3	-
		<u>2,307</u>	<u>568</u>
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	669	635
	Other interest	-	2
		<u>669</u>	<u>637</u>
	Total finance costs	<u>2,976</u>	<u>1,205</u>
10	Taxation	2022	2021
		£'000	£'000
	Current tax		
	UK corporation tax on profits for the current period	1,221	1,352
	Adjustments in respect of prior periods	-	(226)
		<u>1,221</u>	<u>1,126</u>
	Total current tax	<u>1,221</u>	<u>1,126</u>
	Deferred tax		
	Origination and reversal of timing differences	501	112
		<u>501</u>	<u>112</u>
	Total tax charge	<u>1,722</u>	<u>1,238</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets

Group	Goodwill £'000	Branding £'000	Total £'000
Cost			
At 1 January 2022	57,027	5,859	62,886
Additions	32,288	-	32,288
At 31 December 2022	89,315	5,859	95,174
Amortisation and impairment			
At 1 January 2022	42,161	3,386	45,547
Amortisation charged for the year	8,076	1,042	9,118
At 31 December 2022	50,237	4,428	54,665
Carrying amount			
At 31 December 2022	39,078	1,431	40,509
At 31 December 2021	14,867	2,473	17,340

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

12 Fixed asset investments

	Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Investments in subsidiaries	14	-	-	103,067	82,097

Movements in fixed asset investments Company

	Shares in subsidiaries £'000
Cost or valuation	
At 1 January 2022	82,097
Additions	20,970
At 31 December 2022	103,067
Carrying amount	
At 31 December 2022	103,067
At 31 December 2021	82,097

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and improvements buildings	Leasehold improvements	Assets under construction	Plant and equipment	Fixtures and fittings	IT equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
At 1 January 2022	10,375	22,822	86	-	1,098	4,321	4	(83)	38,623
Additions	544	217	-	1,072	12	936	3	-	2,784
Business combinations	3,386	3,203	-	-	27	666	46	6	7,334
Disposals	(121)	(615)	-	-	(2)	(152)	(25)	-	(915)
Transfers	(68)	(1,449)	-	-	-	(850)	-	(9)	(2,376)
At 31 December 2022	14,116	24,178	86	1,072	1,135	4,921	28	(86)	45,450
Depreciation and impairment									
At 1 January 2022	575	845	5	-	252	3,473	3	(93)	5,060
Depreciation charged in the year	258	364	-	-	6	868	3	6	1,505
Eliminated in respect of disposals	(121)	(32)	-	-	-	(126)	(25)	-	(304)
Transfers	(640)	(895)	-	-	-	(817)	-	(8)	(2,360)
At 31 December 2022	72	282	5	-	258	3,398	(19)	(95)	3,901
Carrying amount									
At 31 December 2022	14,044	23,896	81	1,072	877	1,523	47	9	41,549
At 31 December 2021	9,800	21,977	81	-	846	848	1	10	33,563

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Freehold	14,044	9,800	-	-
Long leasehold	21,575	19,703	-	-
Short leasehold	2,402	2,301	-	-
	<u>38,021</u>	<u>31,804</u>	<u>-</u>	<u>-</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Leasehold property	<u>20,854</u>	<u>22,004</u>	<u>-</u>	<u>-</u>

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect	
The Childcare Corporation Limited	1	Ordinary	100.00	-
Head Start Day Nursery Limited	1	Ordinary	100.00	-
Dicky Birds Pre School Nurseries Limited	1	Ordinary	100.00	-
Toad Hall Day Nursery Limited	1	Ordinary	100.00	-
Rushcliffe Day Nurseries Limited	1	Ordinary	100.00	-
Day Dream Nurseries Limited	1	Ordinary	100.00	-
RA Topco Ltd	1	Ordinary	100.00	-
3LB Parnters Ltd	1	Ordinary	100.00	-
3LB Properties Ltd	1	Ordinary	-	100.00
Three Little Birds Nuseries Holdings Ltd	1	Ordinary	-	100.00
Three Little Birds LPS Limited	1	Ordinary	-	100.00
Three Little Birds Nuseries Limited	1	Ordinary	-	100.00
The Wandsworth Preschool Limited	1	Ordinary	-	100.00
The Muswell Hill Preschool Limited	1	Ordinary	-	100.00
The West Finchley Preschool Limited	1	Ordinary	-	100.00
The Winchmore Hill Preschool Limited	1	Ordinary	-	100.00
The London Preschool Limited	1	Ordinary	-	100.00
Crystal Childcare Limited	1	Ordinary	-	100.00

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Subsidiaries

(Continued)

1 - Tuscany House, White Hart Lane, Basingstoke, RG21 4AF

Grandir UK Limited has provided a parental guarantee in relation to the following subsidiaries. Each of these subsidiaries are exempt from the requirement to be audited under the S479A to S479C of the Companies Act 2006 for each of their respective periods ending on 31 December 2022:

Toad Hall Day Nursery Limited
Rushcliffe Day Nurseries Limited
Day Dream Nurseries Limited

15 Stocks

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Finished goods and goods for resale	87	98	-	-

16 Debtors

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	356	94	-	-
Corporation tax recoverable	316	221	-	-
Amounts owed by group undertakings	-	-	12,220	5,438
Other debtors	479	65	-	-
Prepayments and accrued income	1,699	998	53	91
	<u>2,850</u>	<u>1,378</u>	<u>12,273</u>	<u>5,529</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Obligations under finance leases	19	4	5	-	-
Trade creditors		2,868	2,207	-	26
Amounts owed to group undertakings		59,884	27,032	81,429	51,484
Corporation tax payable		97	-	-	-
Other taxation and social security		710	334	-	-
Deferred income	21	22	22	-	-
Other creditors		3,993	2,778	-	-
Accruals and deferred income		1,898	1,893	39	-
		<u>69,476</u>	<u>34,271</u>	<u>81,468</u>	<u>51,510</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Creditors: amounts falling due within one year

(Continued)

Amounts owed by the group to group undertakings of £59,884,000 (2021: £27,032,000) represent amounts owed by the group to its immediate parent undertaking totalling £27,623,000 (2021: £27,032,000) and amounts owed to The Education Group of £32,261,000 (2021: £nil).

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Obligations under finance leases	19	18,056	18,069	-	-
Deferred income	21	3,237	3,260	-	-
		<u>21,293</u>	<u>21,329</u>	<u>-</u>	<u>-</u>

19 Finance lease obligations

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Future minimum lease payments due under finance leases:				
Within one year	665	480	-	-
In two to five years	2,661	2,557	-	-
In over five years	91,877	88,903	-	-
	<u>95,203</u>	<u>91,940</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(77,143)	(73,866)	-	-
	<u>18,060</u>	<u>18,074</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the group for certain leasehold property. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 150 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Grandir UK Limited has provided a guarantee in relation to certain finance leases.

20 Provisions for liabilities

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Deferred consideration to former shareholders	<u>2,558</u>	<u>-</u>	<u>-</u>	<u>-</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Provisions for liabilities

(Continued)

Movements on provisions:

Group	Deferred consideration to former shareholders £'000
Acquired on business combination	4,584
Utilisation of provision	(2,026)
At 31 December 2022	<u>2,558</u>

21 Deferred income

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Other deferred income	<u>3,259</u>	<u>3,282</u>	<u>-</u>	<u>-</u>
Deferred income is included in the financial statements as follows:				
Current liabilities	22	22	-	-
Non-current liabilities	<u>3,237</u>	<u>3,260</u>	<u>-</u>	<u>-</u>
	<u>3,259</u>	<u>3,282</u>	<u>-</u>	<u>-</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £'000	Liabilities 2021 £'000
Accelerated capital allowances	1,353	860
Other	<u>503</u>	<u>(14)</u>
	<u>1,856</u>	<u>846</u>

The company has no deferred tax assets or liabilities.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

22 Deferred taxation (Continued)

	Group 2022 £'000	Company 2022 £'000
Movements in the year:		
Liability at 1 January 2022	846	-
Charge to profit or loss	501	-
On business acquisition	509	-
Liability at 31 December 2022	<u>1,856</u>	<u>-</u>

Deferred tax is not recognised in respect of pre group tax trading losses of £12,321,000 as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is not recognised in respect of capital losses of £5,899,000 as it is not probable that they will be recovered against future capital gains.

23 Retirement benefit schemes

	2022 £'000	2021 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>567</u>	<u>539</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£'000	£'000
Issued and fully paid				
Ordinary shares of 10p each	<u>338,985,965</u>	<u>338,985,965</u>	<u>33,898</u>	<u>33,898</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

25 Acquisition of a business

On 1 June 2022 the group acquired the trade and business of Pippins Montessori LLP and on 8 August 2022 acquired the trade and business of various companies under the umbrella of "Maggie&Rose".

	Book Value	Adjustments	Fair Value
	£'000	£'000	£'000
Net assets acquired			
Property, plant and equipment	2,261	-	2,261
Trade and other payables	(187)	-	(187)
	<u>2,074</u>	<u>-</u>	<u>2,074</u>
Total identifiable net assets	<u>2,074</u>	<u>-</u>	<u>2,074</u>
Goodwill			6,991
Total consideration			<u>9,065</u>
The consideration was satisfied by:			£'000
Cash			<u>9,065</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£'000
Turnover			1,363
Loss after tax			<u>(2)</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Acquisition of a business

(Continued)

On 31 October 2022 the group acquired the entire issued capital of a group of companies under the "Three Little Birds" banner consisting of:

RA Topco Limited
 3LB Partners Ltd
 3LB Properties Ltd
 Three Little Birds Nuseries Holdings Ltd
 Three Little Birds Nuseries Limited
 Crystal Childcare Limited
 Three Little Birds LPS Limited
 The Muswell Hill Preschool Limited
 The Wandsworth Pre School Limited
 The West Finchley Preschool Limited
 The Winchmore Hill Preschool Limited

	Book Value	Adjustments	Fair Value
	£'000	£'000	£'000
Net assets acquired			
Property, plant and equipment	1,347	-	1,347
Trade and other receivables	532	-	532
Cash and cash equivalents	265	-	265
Borrowings	(38)	-	(38)
Trade and other payables	(5,216)	-	(5,216)
Provisions	(4,584)	-	(4,584)
Deferred tax	(432)	-	(432)
Total identifiable net assets	(8,126)	-	(8,126)
Goodwill			17,559
Total consideration			9,433
The consideration was satisfied by:			£'000
Cash			9,433
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£'000
Turnover			1,542
Loss after tax			(1,281)

The goodwill arising on the acquisition of this business is attributable to the anticipated profitability from the expansion of the geographical reach of the group's activities and future operating synergies from the combination.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Acquisition of a business

(Continued)

On 1 April 2022 the group acquired the entire issued capital of Day Dream Nurseries Limited, on 15 June 2022 the entire issued share capital of Rushcliffe Day Nurseries Limited and on 1 October 2022 the entire issued share capital of Toad Hall Day Nursery Limited.

	Book Value £'000	Adjustments £'000	Fair Value £'000
Net assets acquired			
Property, plant and equipment	3,728	-	3,728
Inventories	4	-	4
Trade and other receivables	34	-	34
Cash and cash equivalents	1,109	-	1,109
Borrowings	(11)	-	(11)
Trade and other payables	(668)	-	(668)
Tax liabilities	(319)	-	(319)
Deferred tax	(78)	-	(78)
	<u>3,799</u>	<u>-</u>	<u>3,799</u>
Goodwill			<u>7,738</u>
Total consideration			<u>11,537</u>
The consideration was satisfied by:			£'000
Cash			<u>11,537</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£'000
Turnover			1,935
Profit after tax			<u>194</u>

The goodwill arising on the acquisition of these business' is attributable to the anticipated profitability from the expansion of the geographical reach of the group's activities and future operating synergies from the combination.

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Financial commitments, guarantees and contingent liabilities

Grandir UK Limited is party to a covenant with Grandir SAS to repay each secured obligation (being the intercreditor agreement dated 3 January 2017) of itself and certain subsidiary undertakings. In respect of this covenant, Grandir UK Limited has a fixed charge and negative pledge over all shares and related rights of these subsidiaries in favour of GLAS SAS as security agent. The security created under this Deed covers all present and future assets and undertakings of Grandir UK Limited created by or expressed to be created in favour of GLAS SAS by or pursuant to this Deed.

Grandir UK Limited is party to a covenant with GLAS SAS to repay each secured obligation (being the intercreditor agreement dated 30 September 2021) of itself and its subsidiary undertakings The Childcare Corporation Limited and Dicky Birds Pre School Nurseries Limited. In respect of this covenant, Grandir UK Limited has a fixed charge and negative pledge over all shares and related rights of The Childcare Corporation Limited and Dicky Birds Pre School Nurseries Limited in favour of GLAS SAS as security agent. The security created under this Deed covers all present and future assets and undertakings of Grandir UK Limited created by or expressed to be created in favour of GLAS SAS by or pursuant to this Deed.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	2,430	1,341	-	-
Between two and five years	12,398	4,118	-	-
In over five years	33,769	7,791	-	-
	<u>48,597</u>	<u>13,250</u>	<u>-</u>	<u>-</u>

Lessor

The operating leases represent properties sub leased to third parties. The leases are negotiated over terms of 15-20 years and rentals are based on a proportion of the respective head lease.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	307	-	-	-
Between two and five years	1,227	-	-	-
In over five years	1,512	-	-	-
	<u>3,046</u>	<u>-</u>	<u>-</u>	<u>-</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Acquisition of tangible fixed assets	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

			Purchases	
			2022	2021
			£'000	£'000
Group				
Entities with control, joint control or significant influence over the group			<u>-</u>	<u>26</u>
	Consultancy services		Loan interest payable	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Group				
Entities with control, joint control or significant influence over the company	<u>51</u>	<u>100</u>	<u>1,986</u>	<u>567</u>
Company				
Entities with control, joint control or significant influence over the company	<u>51</u>	<u>100</u>	<u>-</u>	<u>556</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022	2021
	£'000	£'000
Group		
Entities with control, joint control or significant influence over the group	<u>59,884</u>	<u>27,032</u>
Company		
Entities with control, joint control or significant influence over the company	<u>44,868</u>	<u>27,032</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Amounts contracted for but not provided in the financial statements:

29 Related party transactions

During the year the group entered into the following transactions with related parties:

The following amounts were outstanding at the reporting end date:

- 44 -

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Controlling party

The immediate parent undertaking is LPCR Groupe SAS and the ultimate parent undertaking is The Grandir Group SAS, a company registered in France. The ultimate controlling party is Jean Emmanuel Rodocanachi by reference to his majority shareholding in The Grandir Group SAS.

The smallest and largest group in which Grandir UK Limited is consolidated is The Grandir Group SAS.

The registered office of The Grandir Group SAS is 6 Allee Jean Prouve, 92110, Clichy, France.

31 Cash generated from group operations

	2022 £'000	2021 £'000
Loss for the year after tax	(6,145)	(6,662)
Adjustments for:		
Taxation charged	1,722	1,238
Finance costs	2,976	1,205
Investment income	(7)	(1)
Loss/(gain) on disposal of tangible fixed assets	600	(1)
Amortisation and impairment of intangible assets	9,118	12,316
Depreciation and impairment of tangible fixed assets	1,505	1,254
Decrease in provisions	(2,026)	-
Movements in working capital:		
Decrease/(increase) in stocks	15	(10)
(Increase)/decrease in debtors	(820)	11
Increase/(decrease) in creditors	29,041	(2,347)
Decrease in deferred income	(23)	(11)
Cash generated from operations	35,956	6,992

32 Analysis of changes in net debt - group

	1 January 2022 £'000	Cash flows £'000	31 December 2022 £'000
Cash at bank and in hand	3,571	(14)	3,557
Obligations under finance leases	(18,074)	14	(18,060)
	<u>(14,503)</u>	<u>-</u>	<u>(14,503)</u>

GRANDIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

31 Cash generated from operations - company

	2022 £'000	2021 £'000
(Loss)/profit for the year after tax	(2,266)	5,647
Adjustments for:		
Finance costs	1,986	567
Investment income	-	(6,480)
Movements in working capital:		
(Increase) in debtors	(6,744)	(4,920)
Increase in creditors	29,958	2,883
Cash generated from/(absorbed by) operations	22,934	(2,303)

34 Analysis of changes in net funds - company

	1 January 2022 £'000	Cash flows £'000	31 December 2022 £'000
Cash at bank and in hand	266	(22)	244