The Bushcraft Company Limited

Directors' report and unaudited financial statements
Year ended 31 August 2019

Registered number 06762201

Contents

Company Information

Company number:	06762201
Directors:	N Miller S Rolland D Ratcliffe M Uzielli
Secretary:	EMW Secretaries Limited
Registered office:	Seebeck House Seebeck Place Knowlhill Milton Keynes Buckinghamshire United Kingdom MK5 8FR

Directors' report

The directors present their report and the unaudited financial statements of The Bushcraft Company Limited (the "Company") for the year ended 31 August 2019.

Principal activities

The principal activity of the Company is that of outdoor educational and recreational activities.

Review of the business

The trading results of the year and the Company's financial position at the end of the year are shown in the attached financial statements.

Donations

The Company made no political or charitable donations and did not incur any political or charitable expenditure during the year (2018: £nil).

Directors

The following directors have held office during the year:

N Miller
S Rolland
D Ratcliffe
M Uzielli

Ultimate parent undertaking

The immediate parent undertaking is Cognita Ltd, a company registered in England and Wales. The ultimate parent company is Jacobs Holding AG, a company incorporated in Switzerland.

The smallest group of companies for which group accounts have been drawn up including this company is that headed by Cognita Bondco Parent Limited. The largest group of companies for which group accounts have been drawn up including this company is Lernen Bidco Limited. Accounts for Lernen Bidco Limited can be obtained from the registered office Seebeck House, One Seebeck Place, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8FR.

Directors' report *(continued)*

Employee Involvement

The company's policy is to continue to develop its communications with all employees, to inform them on matters of concern to them as employees and to promote awareness of the financial and economic factors affecting the performance of the group and, subject to practical and commercial considerations, to consult them in the decisions that affect current jobs and future prospects.

Disabled employees

In accordance with the Equality Act 2010, the Company will ensure that those persons defined by legislation as having a disability are dealt with fairly and receive equal treatment to non-disabled people. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant. In the event of employees becoming disabled every effort is made to ensure their employment with the Company continues which may involve reasonable adjustments being made to the working environment or other employment arrangements. It is the Policy of the Company that the learning and development, promotion opportunities and terms of employment of disabled employees should, as far as possible, be equal to that of other employees.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing these financial statements, based on an expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these accounts.

In determining whether the Company's financial statements can be prepared on a going concern basis, the directors considered the company's business activities, together with the factors likely to affect its future development, performance and position.

The impact of the COVID-19 pandemic on the Company and its parent company guarantor has been considered in detail, focusing on a base case and relevant severe but plausible downside scenarios, in order to assess the Company's ability to continue in existence.

In both severe but plausible downside scenarios considered, the ultimate guarantor company has adequate headroom in its existing facilities to fund itself, but in both scenarios without mitigating actions the Group would exceed its priority leverage ratio covenant. Whilst in these scenarios - in addition to implementing additional cost saving measures - the Directors would expect to discuss additional equity funding options with its shareholders and potentially also negotiate a temporary amendment to the covenant in question, this does give rise to a material uncertainty that may cast significant doubt around going concern specific to these circumstances. In light of these circumstances, the ability of the parent company to fulfil its guarantor obligations is uncertain and therefore gives rise to a material uncertainty around going concern for the Company.

Directors' report *(continued)*

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 - Reduced disclosure framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Exemptions

The Company is a small company as defined by the Companies Act 2006 and is therefore exempt from the requirements to prepare a Strategic Report.

On behalf of the board

N Miller
Director
17 August 2020

Statement of comprehensive income
for the year ended 31 August 2019

	Note	2019 £'000	2018 £'000
Turnover	5	**5,496**	4,594
Cost of sales		**(3,025)**	(2,643)
Gross profit		**2,471**	1,951
Distribution costs		**(221)**	(187)
Administrative expenses		**(1,701)**	(905)
Non-underlying items	8	**(442)**	(228)
Operating profit	8	**107**	631
Interest payable and similar charges		**-**	(1)
Profit on ordinary activities before taxation		**107**	630
Tax on profit on ordinary activities	9	**8**	(21)
(Loss)/profit for the period		**115**	609
Total comprehensive (expense)/income for the period		**115**	609

The accompanying notes form part of these financial statements.

Balance sheet
as at 31 August 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	*10*	**2,618**	706
Current assets			
Stocks		**91**	29
Debtors	*11*	**1,483**	325
Cash at bank and in hand		**86**	642
		1,660	996
Creditors: amounts falling due within one year	*12*	**(3,884)**	(1,423)
Net current liabilities		**(2,224)**	(427)
Total assets less current liabilities		**394**	279
Net assets		**394**	279
Capital and reserves			
Called-up share capital	*13*	**-**	-
Share premium		**210**	210
Retained earnings		**184**	69
Total equity		**394**	279

The accompanying notes form part of these financial statements.

For the year ending 31 August 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were authorised for issue by the board of directors on 17 August 2020 and were signed on its behalf by:

N Miller
Director

Statement of changes in equity
for the year ended 31 August 2019

	Called-up share capital £'000	Share premium £'000	Retained deficit £'000	Total £'000
Balance at 1 September 2017	-	210	(540)	(330)
Total comprehensive income for the year				
Profit for the year	-	-	609	609
Balance at 31 August 2018	-	210	69	279
Balance at 1 September 2018	**-**	**210**	**69**	**279**
Total comprehensive income for the year				
Loss for the year	-	-	**115**	**115**
Balance at 31 August 2019	**-**	**210**	**184**	**394**

The accompanying notes form part of these financial statements.

Notes to the financial statements

Year ended 31 August 2019

1 Company Information

The Bushcraft Company Limited is a limited liability company incorporated and domiciled in the United Kingdom.

The registered office is Seebeck House Seebeck Place, Knowlhill, Milton Keynes, Buckinghamshire, United Kingdom, MK5 8FR.

2 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), and with the Companies Act 2006. These financial statements have been prepared on the historical cost basis.

The presentation currency on these financial statements is sterling.

All amounts in the financial statements have been rounded to the nearest £1,000.

The information disclosed in the Directors' Report explains the directors' assessment of risk within the company. The company is managed along with the rest of the Cognita Limited group and shares resources, including banking arrangements and liquid assets with other group companies.

The directors have performed a review of the business and have a reasonable expectation that the company (supported by the group) has adequate resources to continue into the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Transition to FRS 101

The Company had transitioned to FRS 101 from FRS 102. In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The policies applied under the Company's previous accounting framework are not materially different to FRS 101 and as a result, no transitional adjustments were required in equity or profit or loss at the transition date or at the year ended 31 August 2018.

Financial Reporting Standard 102 Section 1A - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- disclosure in respect of capital management;
- the effect of new but not yet effective IFRSs; and
- disclosure in respect of compensation of Key Management Personnel.

Notes to the financial statements *(continued)*
Year ended 31 August 2019

2 Basis of preparation *(continued)*

Going Concern

The financial statements have been prepared on a going concern basis, as set out in the statement of directors responsibilities. Having considered the ability of the company's indirect subsidiary undertaking, Lernen Bidco Ltd, to continue as a going concern, the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

In making this assessment the Directors have considered in detail the cashflow forecasts of the Lernen Bidco group to 31 August 2021 and certain severe but plausible downside scenarios. The forecast cashflows to 31 August 2021 already incorporate management's most up to date view of the most sensitive factor in the group's projections, that of pupil numbers. The base case assumes a lower opening pupil number by school than would have been expected had it not been for the coronavirus pandemic. The cost base remains largely unchanged despite this reduction in revenue assumption, with the exception of recognising the benefit of cost mitigation actions already underway.

The base case assumptions have been further tested against the following scenarios:

- The occurrence of a second lockdown scenario where a financial impact similar to that seen in the financial year to 31 August 2020 is repeated in the year ending 31 August 2021
- The projected cost savings as a result of mitigation actions already underway do not fully materialise

Whilst the Directors believe certain mitigating options are available to address the severe but plausible downside scenarios, the Group has a priority leverage ratio covenant of 7.4x the Group's adjusted EBITDA with respect to its senior debt facility that is relevant upon the drawdown of a specified portion of its revolving credit facility. In each of the severe plausible downside scenarios above, the required drawdown would be sufficient for this covenant to take effect and the group would be expected to exceed the ratio threshold within the forecast 12 month period. In this scenario, management would enter discussions with shareholders regarding the possibility of securing additional equity funding and may also enter into negotiations with lenders to temporarily amend the leverage ratio to avoid a breach as a result of these extreme circumstances. In the event the leverage ratio covenant is exceeded, the lender has the right to cancel the Senior Facilities Agreement and outstanding amounts under the agreement may become immediately payable.

In the context of this severe but plausible downside scenario for its ultimate parent guarantor, the absence as at the date of signing these financial statements of either confirmation of committed equity funding or amended loan documentation confirming an amendment to the priority debt leverage covenant gives rise to a material uncertainty, as defined in auditing and accounting standards, related to events or conditions that may cast significant doubt on the Lernen Bidco group's and therefore the Company's ability to continue as a going concern. In such circumstances the Group and parent company may therefore be unable to realise its assets, discharge its liabilities and continue operating as an investment holding company.

Despite this, the Directors are confident that the company, and the Lernen Bidco group, have adequate resources to continue in operational existence for at least 12 months from the date of signing these accounts, and therefore believe it remains appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes to the financial statements *(continued)*
Year ended 31 August 2019

3 Significant judgments and estimates

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgements and estimates have been made include:

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4 Principal accounting policies

4.1 Revenue recognition

Revenue represents fees receivable for the provision of outdoor educational and recreational activities to children and associated goods and services, excluding VAT. Fees are recognised over the period of delivery of the service. Where fees are invoiced in advance they are deferred on the balance sheet and recognised as revenue over the period of the service provision.

4.2 Tangible fixed assets

Depreciation on fixed assets is calculated, using the straight-line method, to allocate their cost less estimated residual values over their estimated useful lives, as follows:

Leasehold improvements	- Straight line over life of lease
Plant and machinery	- 10%, 20%, 33.33%, 50% straight line
Motor vehicles	- 33.33% straight line

4.3 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost, where appropriate, includes a proportion of directly attributable overheads.

4.4 Debtors

Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full.

Notes to the financial statements *(continued)*
Year ended 31 August 2019

4 Principal accounting policies *(continued)*

4.5 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Notes to the financial statements *(continued)*
Year ended 31 August 2019

4 Principal accounting policies *(continued)*

4.7 Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Rentals payable are apportioned between the finance element, which is charged to the income statement on a straight line basis, and the capital element, which reduces the outstanding obligation for future instalments.

4.8 Pension costs

The Company operates a defined contribution scheme for its employees. The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

4.9 Provision for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the 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 end of the reporting period, 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 using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in profit or loss in the period it arises.

The company recognises a provision for dilapidations which represents the best estimate of future reparations costs in relation to leases occupied by the company.

5 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Notes to the financial statements *(continued)*
Year ended 31 August 2019

6 Staff costs

	2019	2018
	£'000	£'000
Wages and salaries	**2,730**	1,498
Social security costs	**205**	118
Other pension costs	**25**	10
	2,960	1,626

The average monthly number of employees during the period was as follows:

By activity	**2019**	2018
Head office staff	**36**	24
Activity camp staff	**103**	121
	139	145

7 Directors emoluments

	2019	2018
	£'000	£'000
Emoluments receivable	165	8

8 Operating (loss)/ profit

Operating (loss)/ profit is stated after charging:

	2019	2018
	£'000	£'000
Depreciation of owned assets	**329**	218
Depreciation of assets held under finance leases	**-**	13
Operating lease rentals:		
- Property	**30**	29
Directors remuneration	**165**	8
Profit on disposal of property, plant and equipment	**(11)**	(4)

Non-underlying operating costs are as follows:

	2019	2018
	£'000	£'000
Restructuring costs	**442**	228

Notes to the financial statements *(continued)*
Year ended 31 August 2019

9 Taxation

Analysis of tax charge

The tax charge on profit on ordinary activities for the year was as follows:

	2019 £'000	2018 £'000
Deferred tax		
Origination and reversal of timing differences	**(49)**	18
Adjustments in respect of prior years	**41**	3
Tax on profit on ordinary activities	**(8)**	21

UK corporation tax has been charged at 19.00% (2018: 19.00%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	**107**	630
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	**20**	120
Effects of:		
Expenses not deductible for tax purposes	**12**	17
Group relief	**(81)**	(122)
Adjustment to tax charge in respect of prior periods	**41**	3
Deferred tax not recognised	**-**	3
Total tax (credit)/charge	**(8)**	21

Reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The deferred tax asset at 31 August 2019 has been calculated based on these rates.

See note 11 for the current deferred tax asset held.

Notes to the financial statements *(continued)*
Year ended 31 August 2019

10 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost:				
At 1 September 2018	59	767	145	971
Additions	1,569	680	-	2,249
Disposals	-	(47)	-	(47)
At 31 August 2019	**1,628**	**1,400**	**145**	**3,173**
Depreciation:				
At 1 September 2018	12	150	103	265
Charge for the period	36	251	42	329
Disposals	-	(39)	-	(39)
At 31 August 2019	**48**	**362**	**145**	**555**
Net book value:				
At 31 August 2019	**1,580**	**1,038**	**-**	**2,618**
At 31 August 2018	47	617	42	706

11 Debtors

	2019	2018
	£'000	£'000
Trade debtors	**35**	4
Amounts owed by group undertakings	**1,349**	17
Prepayments and accrued income	**52**	174
Deferred tax assets	**35**	27
Other debtors	**13**	103
	1,483	325

Notes to the financial statements *(continued)*
Year ended 31 August 2019

11 Debtors *(continued)*

The deferred tax asset arises as follows:

	2019	2018
	£'000	£'000
Accelerated capital allowances	**35**	7
Expenses not deductable for tax purposes	-	-
Other short term differences	-	20
Losses carried forwards	-	-
	35	27

12 Creditors - amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	**295**	329
Amounts owed to group undertakings	**3,152**	463
Accruals and deferred income	**362**	464
Net obligations under finance lease	-	-
Taxes and social security	**90**	166
Other creditors	**(15)**	1
	3,884	1,423

13 Share capital

	2019	2018
	£'000	£'000
Allotted called up and fully paid		
2,426,004 Ordinary shares of 0.0001p each	-	-

Notes to the financial statements *(continued)*
Year ended 31 August 2019

14 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2019	2018
Land and buildings	**£'000**	£'000
Less than one year	**62**	29
Between one and five years	**208**	-
More than five years	**982**	-
	1,252	29

15 Related party transactions

During the year the Company entered into the following transactions on normal commercial terms with related parties.

During the year the Company was charged consultancy fees totalling £nil (2018: £152,000) and rent of £37,500 (2018: £nil) by Nigel Miller and Associates Limited. N Miller, a director of the Company, is also a director and shareholder of Nigel Miller and Associates Limited.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

16 Ultimate parent undertaking

The immediate parent undertaking is Cognita Ltd, a company registered in England and Wales. The ultimate parent company is Jacobs Holding AG, a company incorporated in Switzerland.

The smallest group of companies for which group accounts have been drawn up including this company is that headed by Cognita Bondco Parent Limited. The largest group of companies for which group accounts have been drawn up including this company is Lernen Bidco Limited. Accounts for Lernen Bidco Limited can be obtained from the registered office Seebeck House, One Seebeck Place, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8FR.