The Bushcraft Company Limited

Directors' report and unaudited financial statements
Year ended 31 August 2018

Registered number 06762201 (England and Wales)

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 2018.

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 (2017: did not exceed £2,000).

Directors

The following directors have held office during the year:

N Miller	
S Rolland	
P Thornhill	(resigned 21 December 2017)
D Ratcliffe	(appointed 19 January 2018)
M Uzielli	(appointed 12 April 2018)

Ultimate parent undertaking

At the beginning of the financial year the immediate parent undertaking was Cognita Limited, Educational Activity Group Limited and Educational Activity Limited, companies registered in England and Wales with a 40%, 35% and 25% interest in the company respectively. As at 20 June 2018, Educational Activity Group Limited and Educational Activity Limited fully transferred their shares to Cognita Limited, meaning the immediate parent undertaking at the balance sheet date was solely Cognita Limited. The ultimate parent undertaking at the balance sheet date was Cognita Topco Limited, which was jointly controlled by The Bregal Fund III LP and KKR European Fund III LP who each owned 50% of Cognita Topco Limited.

On 25 October 2018, Cognita Topco Limited and the entire Cognita Group was acquired by Lemen Bidco Limited, a company registered in England and Wales. From this date, the ultimate parent undertaking and controlling party is Jacobs Holding AG. On 31 January 2019, Jacobs Holding AG sold a substantial minority stake to BDT Capital Partners and Sofina Global Education SA. Jacobs Holding AG remains the controlling shareholder and majority stakeholder.

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 that headed by Cognita Topco Limited. Accounts for Cognita Bondco Parent Limited can be obtained from the registered office Seebeck House, One Seebeck Place, Knowhill, Milton Keynes, Buckinghamshire, MK5 8FR. Accounts for Cognita Topco Limited can be obtained from the registered office at 15 Esplanade, St Helier, Jersey, JE1 1RB.

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.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report *(continued)*

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

D Ratcliffe
Director
9 May 2019

Statement of comprehensive income
for the year ended 31 August 2018

	Note	**2018** **£'000**	Ten months ended 31 August 2017 £'000
Turnover	*5*	**4,594**	3,104
Cost of sales		**(2,643)**	(1,956)
Gross profit		**1,951**	1,148
Distribution costs		**(187)**	(111)
Administrative expenses		**(905)**	(1,087)
Non-underlying items	*8*	**(228)**	-
Operating profit/(loss)	*8*	**631**	(50)
Interest payable and similar charges	*9*	**(1)**	(15)
Profit/(loss) on ordinary activities before taxation		**630**	(65)
Tax on profit/loss on ordinary activities	*10*	(21)	(47)
Profit/(loss) for the period		**609**	(112)
Total comprehensive income/(expense) for the period		**609**	(112)

The accompanying notes form part of these financial statements.

Balance sheet
as at 31 August 2018

	Note	**2018** **£'000**	2017 £'000
Fixed assets			
Tangible assets	*11*	**706**	458
Current assets			
Stocks		**29**	19
Debtors	*12*	**325**	114
Cash at bank and in hand		**642**	197
		996	330
Creditors: amounts falling due within one year	*13*	**(1,423)**	(1,118)
Net current liabilities		**(427)**	(788)
Total assets less current liabilities		**279**	(330)
Net assets/ (liabilities)		**279**	(330)
Capital and reserves			
Called-up share capital	*14*	**-**	-
Share premium		**210**	210
Retained earnings		**69**	(540)
Total equity / (deficit)		**279**	(330)

The accompanying notes form part of these financial statements.

For the year ending 31 August 2018 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 9 May 2019 and were signed on its behalf by:

D Ratcliffe
Director

Statement of changes in equity
for the year ended 31 August 2018

	Called-up share capital £'000	Share premium £'000	Retained deficit £'000	Total £'000
Balance at 1 November 2016	-	210	(428)	(218)
Total comprehensive income for the year				
Loss for the year	-	-	(112)	(112)
Balance at 31 August 2017	-	210	(540)	(330)
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**

The accompanying notes form part of these financial statements.

Notes to the financial statements

Year ended 31 August 2018

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.

2 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), 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 Great British Pounds Sterling.

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

The directors have performed a review of the business and have a reasonable expectation that the company 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.

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 102:

- the requirement of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A; and
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The performance of the Company up to the date of signing of these financial statements has been reviewed against the forecasts prepared and the directors consider that the business will generate significant levels of sustainable profit going forward. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements *(continued)*
Year ended 31 August 2018

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 2018

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 2018

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 2018

6 Staff costs

	2018	2017
	£'000	£'000
Wages and salaries	**1,498**	1,207
Social security costs	**118**	73
Other pension costs	**10**	11
	1,626	1,291

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

By activity	**2018**	2017
Head office staff	**24**	21
Activity camp staff	**121**	63
	145	84

7 Directors emoluments

	2018	2017
	£'000	£'000
Emoluments receivable	8	58

8 Operating Profit/ (loss)

Operating profit/ (loss) is stated after charging:

	2018	2017
	£'000	£'000
Depreciation of owned assets	**218**	189
Depreciation of assets held under finance leases	**13**	22
Operating lease rentals:		
- Property	**29**	38
Directors remuneration	**8**	58
Loss/(profit) on disposal of property, plant and equipment	**(4)**	18

Non-underlying operating costs are as follows:

	2018	2017
	£'000	£'000
Restructuring costs	**228**	-

Notes to the financial statements *(continued)*
Year ended 31 August 2018

9 Interest payable and similar charges

	2018 **£'000**	2017 £'000
Interest payable on loans from related parties	**-**	16

10 Taxation

Analysis of tax charge

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

	2018 **£'000**	2017 £'000
Deferred tax		
Origination and reversal of timing differences	**18**	24
Adjustments in respect of prior years	**3**	23
Tax on profit on ordinary activities	**21**	47

UK corporation tax has been charged at 19.00% (2017: 19.58%).

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:

	2018 **£'000**	2017 £'000
Profit/(Loss) on ordinary activities before tax	**630**	(65)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2017: 19.58%)	**120**	-
Effects of:		
Expenses not deductible for tax purposes	**17**	89
Group relief	**(122)**	-
Adjustment to tax charge in respect of prior periods	**3**	23
Deferred tax not recognised	**3**	-
	21	47

Notes to the financial statements *(continued)*
Year ended 31 August 2018

10 Taxation *(continued)*

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 2018 has been calculated based on these rates.

See note 12 for the current deferred tax asset held.

11 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost:				
At 1 September 2017	43	975	108	1,126
Additions	32	411	46	489
Disposals	(16)	(619)	(9)	(644)
At 31 August 2018	**59**	**767**	**145**	**971**
Depreciation:				
At 1 September 2017	20	571	77	668
Charge for the period	8	188	35	231
Disposals	(16)	(609)	(9)	(634)
At 31 August 2018	**12**	**150**	**103**	**265**
Net book value:				
At 31 August 2018	**47**	**617**	**42**	**706**
At 31 August 2017	23	404	31	458

The net book value of assets held under finance lease contracts is as follows:

	2018 £'000	2017 £'000
Motor vehicles	-	13
	-	13

Notes to the financial statements *(continued)*
Year ended 31 August 2018

12 Debtors

	2018 £'000	2017 £'000
Trade debtors	**4**	1
Amounts owed by group undertakings	**17**	-
Prepayments and accrued income	**174**	48
Deferred tax assets	**27**	48
Other debtors	**103**	17
	325	114

The deferred tax asset arises as follows:

	2018 £'000	2017 £'000
Accelerated capital allowances	**7**	(36)
Expenses not deductable for tax purposes	**-**	(29)
Other short term differences	**20**	3
Losses carried forwards	**-**	109
	27	48

13 Creditors - amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	**329**	122
Amounts owed to group undertakings	**463**	-
Accruals and deferred income	**464**	777
Net obligations under finance lease	**-**	11
Taxes and social security	**166**	208
Other creditors	**1**	-
	1,423	1,118

Of the above creditors £nil (2017: 11,000) is secured.

14 Share capital

	2018 £'000	2017 £'000
Allotted called up and fully paid		
2,430,000 Ordinary shares of 0.01p each	**-**	-

Notes to the financial statements *(continued)*
Year ended 31 August 2018

15 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2018	2017
Land and buildings	**£'000**	£'000
Less than one year	**29**	50
Between one and five years	**-**	29
	29	79

16 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 £152,000 (2017: £78,000) and rent of £nil (2017: £38,000) 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.

During the year, the company made sales of £nil (2017: £1,000) to Outlook Expeditions Limited, which is a company in which N Miller is a director. At the year end, the Company was owed £nil (2017: £1,000) by Outlook Expeditions Limited, giving a net debtor of £nil owed to the company (2017: net debtor of £1,000 owed by the company).

N Miller, a director, has given personal guarantees over a finance lease. The amount outstanding at the year end was £nil (2017: £11,000).

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

Notes to the financial statements *(continued)*
Year ended 31 August 2018

17 Ultimate parent undertaking

At the beginning of the financial year the immediate parent undertaking was Cognita Limited, Educational Activity Group Limited and Educational Activity Limited, companies registered in England and Wales with a 40%, 35% and 25% interest in the company respectively. As at 20 June 2018, Educational Activity Group Limited and Educational Activity Limited fully transferred their shares to Cognita Limited, meaning the immediate parent undertaking at the balance sheet date was solely Cognita Limited. The ultimate parent undertaking at the balance sheet date was Cognita Topco Limited, which was jointly controlled by The Bregal Fund III LP and KKR European Fund III LP who each owned 50% of Cognita Topco Limited.

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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 that headed by Cognita Topco Limited. Accounts for Cognita Bondco Parent Limited can be obtained from the registered office Seebeck House, One Seebeck Place, Knowhill, Milton Keynes, Buckinghamshire, MK5 8FR. Accounts for Cognita Topco Limited can be obtained from the registered office at 15 Esplanade, St Helier, Jersey, JE1 1RB.

18 Post balance sheet events

On 25 October 2018, the Cognita Group was sold by its previous owners, KKR European Fund III LP and Bregal Fund III LP, to Jacobs Holding AG ("Jacobs"). Jacobs are a family controlled professional investment firm, the sole economic beneficiary of which is the Jacobs Foundation. The Jacobs Foundation is a non-profit, charity organisation with the exclusive aim to improve the lives of young people around the world.

The acquisition of the Group on 25 October 2018 has prompted a refinancing of the majority of the Group's debt with new bank facilities being entered into totalling £652 million. This enabled the group to settle the Senior Secured Loan Notes, Revolving Credit Facilities and Forward Currency Contracts, along with local debt in Hong Kong.

On 31 January 2019, Jacobs Holding AG sold a substantial minority stake to BDT Capital Partners and Sofina Global Education SA. Jacobs Holding AG remains the controlling shareholder and majority stakeholder.