

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

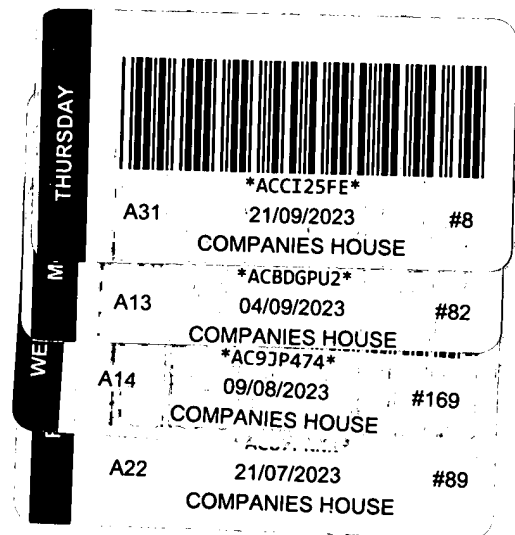
Directors' Report and Unaudited

Financial Statements

Year Ended

30 June 2022

Company Number 10438833



# **Childcare4u Nurseries Limited (formerly ICP Childcare Limited)**

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## **Company Information**

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<b>Directors</b>	S M Booty C E Wilson
<b>Registered number</b>	10438833
<b>Registered office</b>	1 Pride Point Drive Pride Park Derby DE24 8BX
<b>Accountants</b>	BDO LLP Two Snowhill Birmingham B4 6GA

# **Childcare4u Nurseries Limited (formerly ICP Childcare Limited)**

## **Directors' Report For the Year Ended 30 June 2022**

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The Directors present their report and the financial statements for the year ended 30 June 2022.

### **Principal activity**

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

### **Directors**

The Directors who served during the year were:

S M Booty  
D S Harrison (resigned 1 June 2022)  
C E Wilson

### **Going concern**

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

The Directors have carefully considered the anticipated future performance of the investee companies for a period of 12 months to 31 March 2024 and are satisfied the performance of the companies support the requirements of the debt arrangements and service the interest charges. The bank debt capital is not due to be repaid until June 2028. The forecasts take account of acquisitions that have completed at the date the financial statements have been approved.

The directors have considered the current economic climate when preparing the forecasts and have reflected the anticipated impact of wage and wider cost inflation on the business. The forecasts assume that cost increases are recovered through price increases in fee income. Based on sensitivity analysis, the directors are satisfied that given the level of cash within the business and trading headroom against ongoing debt covenants, scenarios that would result in the business not being a going concern are remote.

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

### **Qualifying third party indemnity provisions**

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

### **Exemption from audit by parent guarantee**

The ultimate parent company, Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited), has agreed to guarantee the liabilities of the Company thereby allowing it to take exemption from audit under section 479A of the Companies Act 2006.

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Directors' Report (continued) For the Year Ended 30 June 2022

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### Small companies note

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

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



**C E Wilson**  
Director

Date: *23 March 2023*

# **Childcare4u Nurseries Limited (formerly ICP Childcare Limited)**

## **Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of ICP Childcare Limited For the Year Ended 30 June 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Childcare4u Nurseries Limited (formerly ICP Childcare Limited) for the year ended 30 June 2022 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.


As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at: <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Childcare4u Nurseries Limited (formerly ICP Childcare Limited) has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Childcare4u Nurseries Limited (formerly ICP Childcare Limited). You consider that Childcare4u Nurseries Limited (formerly ICP Childcare Limited) is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Childcare4u Nurseries Limited (formerly ICP Childcare Limited). For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

### **Use of our report**

This report is made solely to the Board of Directors of Childcare4u Nurseries Limited (formerly ICP Childcare Limited), as a body, in accordance with the terms of our engagement letter dated 1 May 2020. Our work has been undertaken solely to prepare for your approval the accounts of Childcare4u Nurseries Limited (formerly ICP Childcare Limited) and state those matters that we have agreed to state to the Board of Directors of Childcare4u Nurseries Limited (formerly ICP Childcare Limited), as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Childcare4u Nurseries Limited (formerly ICP Childcare Limited) and its Board of Directors as a body for our work or for this report.



**BDO LLP**  
Birmingham  
United Kingdom

Date: 23 March 2023

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

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Statement of Income and Retained Earnings For the Year Ended 30 June 2022

	Note	Year ended 30 June 2022 £	15 month period ended 30 June 2021 £
Turnover		1,442,346	1,258,835
Cost of sales		(756,334)	(769,373)
<b>Gross profit</b>		<b>686,012</b>	<b>489,462</b>
Administrative expenses		(671,626)	(932,417)
Other operating income	4	-	102,320
<b>Operating profit/(loss)</b>		<b>14,386</b>	<b>(340,635)</b>
Tax on profit/(loss)		196,993	(87,041)
<b>Profit/(loss) after tax</b>		<b>211,379</b>	<b>(427,676)</b>
Retained earnings at the beginning of the year/period		(2,165,104)	(1,737,428)
Profit/(loss) for the year/period		211,379	(427,676)
<b>Retained earnings at the end of the year/period</b>		<b>(1,953,725)</b>	<b>(2,165,104)</b>

The notes on pages 7 to 15 form part of these financial statements.

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

Registered number:10438833

## Statement of Financial Position As at 30 June 2022

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Intangible assets			593,609		968,521
Tangible assets	7		56,657		68,264
			<u>650,266</u>		<u>1,036,785</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	723,153		94,672	
Cash at bank and in hand		36,091		29,759	
		<u>759,244</u>		<u>124,431</u>	
Creditors: amounts falling due within one year	9	(3,355,727)		(3,078,119)	
<b>Net current liabilities</b>			<u>(2,596,483)</u>		<u>(2,953,688)</u>
<b>Total assets less current liabilities</b>			<u>(1,946,217)</u>		<u>(1,916,903)</u>
<b>Provisions for liabilities</b>					
Deferred tax			(7,507)		(248,200)
<b>Net liabilities</b>			<u>(1,953,724)</u>		<u>(2,165,103)</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss account			(1,953,725)		(2,165,104)
			<u>(1,953,724)</u>		<u>(2,165,103)</u>

# **Childcare4u Nurseries Limited (formerly ICP Childcare Limited)**

Registered number:10438833

## **Statement of Financial Position (continued) As at 30 June 2022**

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

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

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

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



**C E Wilson**  
Director

Date: *23 March 2023*

The notes on pages 7 to 15 form part of these financial statements.



# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 1. General information

Childcare4u Nurseries Limited (formerly ICP Childcare Limited) is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given in the Company Information page. The nature of the Company's operations and its principal activity are outlined in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

#### 2.2 Going concern

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

The Directors have carefully considered the anticipated future performance of the investee companies for a period of 12 months to 31 March 2024 and are satisfied the performance of the companies support the requirements of the debt arrangements and service the interest charges. The bank debt capital is not due to be repaid until June 2028. The forecasts take account of acquisitions that have completed at the date the financial statements have been approved.

The directors have considered the current economic climate when preparing the forecasts and have reflected the anticipated impact of wage and wider cost inflation on the business. The forecasts assume that cost increases are recovered through price increases in fee income. Based on sensitivity analysis, the directors are satisfied that given the level of cash within the business and trading headroom against ongoing debt covenants, scenarios that would result in the business not being a going concern are remote.

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

# **Childcare4u Nurseries Limited (formerly ICP Childcare Limited)**

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

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### **2. Accounting policies (continued)**

#### **2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### **Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

#### **2.5 Pensions**

##### **Defined contribution pension plan**

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

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

#### **2.6 Government grants**

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

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

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.7 Current and deferred taxation

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

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

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

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

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

#### 2.8 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Income and Retained Earnings over its useful economic life.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer relationships	-	7	years
Goodwill	-	7	years

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold property improvements	-	10% straight line
Fixtures and fittings	-	33% straight line
Computer and office equipment	-	33% straight line
Other fixed assets	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Statement of Income and Retained Earnings.

#### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.12 Creditors

Short term creditors are measured at the transaction price.

#### 2.13 Financial instruments

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

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

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.13 Financial instruments (continued)

If a transaction constitutes a financing transaction it is measured at the present value of the future payments discounted at a market rate of interest, except where loans are received from a person who is within a director's group of close family members and that group contains a shareholder of the Company, then these are initially recorded at transaction price, and subsequently at amortised cost using interest rate implicit in the contract.

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

In preparing these financial statements, the Directors have had to make the following judgments:

#### Impairment of intangible fixed assets

The Directors determine whether there are indicators of impairment of the Company's intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

The carrying amount of intangible fixed assets by each class is included in note 6.

#### Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives change then depreciation charges in the financial statements would be revised and carrying amounts of property, plant and equipment would change accordingly. The carrying amount of property, plant and equipment by each class is included in note 7.

### 4. Other operating income

	Year ended 30 June 2022 £	15 month period ended 30 June 2021 £
Government grants receivable	-	102,320

### 5. Employees

The average monthly number of employees, including Directors, during the year was 35 (2021 - 34).

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 6. Intangible assets

	Customer relationships £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2021	1,482,750	1,141,628	2,624,378
At 30 June 2022	1,482,750	1,141,628	2,624,378
<b>Amortisation</b>			
At 1 July 2021	935,543	720,314	1,655,857
Charge for the year on owned assets	211,821	163,091	374,912
At 30 June 2022	1,147,364	883,405	2,030,769
<b>Net book value</b>			
At 30 June 2022	335,386	258,223	593,609
At 30 June 2021	547,207	421,314	968,521

#### Customer relationships

The useful life of customer relationships is estimated to be 7 years based on the attrition rate of acquired customers.

#### Goodwill

Goodwill is being amortised over the Directors' estimate of its useful life of 7 years. This estimate is based on a variety of factors including the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed and the legal, regulatory or contractual provisions that could limit its useful life.

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 7. Tangible fixed assets

	Leasehold property improvements £	Fixtures and fittings £	Computer and office equipment £	Other fixed assets £	Total £
<b>Cost</b>					
At 1 July 2021	59,838	74,565	13,099	113,726	261,228
Additions	4,040	5,861	-	4,425	14,326
Disposals	-	-	-	(6,734)	(6,734)
At 30 June 2022	63,878	80,426	13,099	111,417	268,820
<b>Depreciation</b>					
At 1 July 2021	15,947	65,294	11,081	100,642	192,964
Charge for the year	6,242	5,988	459	6,510	19,199
At 30 June 2022	22,189	71,282	11,540	107,152	212,163
<b>Net book value</b>					
At 30 June 2022	41,689	9,144	1,559	4,265	56,657
At 30 June 2021	43,891	9,271	2,018	13,084	68,264

### 8. Debtors

	2022 £	2021 £
Trade debtors	49,847	-
Amounts owed by group undertakings	566,307	49,995
Other debtors	42,445	-
Prepayments and accrued income	64,554	44,677
	723,153	94,672

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

# Childcare4u Nurseries Limited (formerly ICP Childcare Limited)

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	23,637	18,498
Amounts owed to group undertakings	2,917,126	2,917,594
Corporation tax	43,700	-
Other taxation and social security	10,169	16,705
Other creditors	171,803	28,959
Accruals and deferred income	189,292	96,363
	<u>3,355,727</u>	<u>3,078,119</u>

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

### 10. Contingent liabilities

During the year the Company was party to cross guarantees in respect of the Group banking and debt facilities. Full details of the debt arrangements are disclosed in the Parent Company's financial statements.

### 11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,055 for the year ended 30 June 2022 (15 month period ended 30 June 2021- £10,124). Contributions totalling £1,690 (2021 - £1,431) were payable to the fund at the reporting date and are included in other creditors.

### 12. Commitments under operating leases

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	150,000	130,000
Later than 1 year and not later than 5 years	600,000	520,000
Later than 5 years	600,000	747,500
	<u>1,350,000</u>	<u>1,397,500</u>



# **Childcare4u Nurseries Limited (formerly ICP Childcare Limited)**

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

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### **13. Related party transactions**

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

### **14. Controlling party**

The Company's immediate parent company is Bright Stars Nursery Group Limited (formerly ICP Nurseries Limited), a company incorporated in England and Wales at 1 Pride Point Drive, Pride Park, Derby, DE24 8BX.

The Company's ultimate parent undertaking is Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited), a company incorporated in England and Wales at 1 Pride Point Drive, Pride Park, Derby, DE24 8BX.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Oakley Early Years Topco Limited (formerly Thunder UK Topco Limited). Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.