

Company registration number 03546995 (England and Wales)

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

COMPANY INFORMATION

| | | |
|------------------|--|--|
| Directors | C Lawson L Hopper H Young M J Moore | (Appointed 23 February 2023) (Appointed 23 February 2023) |
|------------------|--|--|

Company number 03546995

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

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

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DICKY BIRDS PRE SCHOOL NURSERIES 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

The group continues to look for further acquisitions to complement and expand its existing portfolio. 2023 is likely to be any exciting year for acquisitions.

Turnover for the period to 31 December 2022 has increased by 28.4%, whilst gross profit margin has fallen slightly from 53% to 49%. Operating profit for the year was £3,160,000 compared to £3,282,000 for the year to 31 December 2021.

Principle risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks affecting the Company 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 Company.

Competition

The Company 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 Company'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 Company 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 company also has in place a Corporate Risk Register that it actively manages against.

Employees

The Company'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 Company's results. To mitigate these issues the Company 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 company 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.

Key performance indicators

We have made significant progress throughout the period in relation to key elements of our strategy. The Board monitors the progress of the group rather than individual companies, the performance indicators for this can be seen in the consolidated accounts of Grandir UK Limited.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

M J Moore
Director

26 September 2023

DICKY BIRDS PRE SCHOOL NURSERY 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 continued to be the delivery of day nursery facilities for children aged between 3 months and 5 years.

Results and dividends

The results for the year are set out on page 9.

Directors

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

| | |
|-----------|------------------------------|
| H Small | (Resigned 12 September 2022) |
| C Lawson | |
| L Hopper | |
| H Young | (Appointed 23 February 2023) |
| M J Moore | (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 company continues and that the appropriate training is arranged. It is the policy of the company 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 company'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 company's performance.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

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.

Auditor

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

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 company's auditor 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 company's auditor is aware of that information.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

M J Moore
Director

26 September 2023

DICKY BIRDS PRE SCHOOL NURSERIES 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 company and of the profit or loss of the company 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 company will continue in business.

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 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.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

Opinion

We have audited the financial statements of Dicky Birds Pre School Nurseries Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 December 2022 and of its profit 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 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 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.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 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 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.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DICKY BIRDS PRE SCHOOL NURSERIES 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 company 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.

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

26 September 2023

Chartered Accountants
Statutory Auditor

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

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|---------------------------------------|----------|---------------|---------------|
| Turnover | 3 | 12,633 | 9,841 |
| Cost of sales | | (6,441) | (4,646) |
| Gross profit | | 6,192 | 5,195 |
| Administrative expenses | | (3,192) | (1,969) |
| Other operating income | | 160 | 56 |
| Operating profit | 5 | 3,160 | 3,282 |
| Interest payable and similar expenses | 8 | - | (1) |
| Profit before taxation | | 3,160 | 3,281 |
| Tax on profit | 9 | (582) | (563) |
| Profit for the financial year | | 2,578 | 2,718 |

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

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Profit for the year | 2,578 | 2,718 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>2,578</u> | <u>2,718</u> |

The notes on pages 14 to 24 form part of these financial statements.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | | 2022 | | 2021 | |
|---|-------|--------------|----------------|--------------|--------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Goodwill | 11 | | 5,734 | | - |
| Tangible assets | 12 | | 6,284 | | 4,255 |
| | | | <u>12,018</u> | | <u>4,255</u> |
| Current assets | | | | | |
| Debtors | 13 | 2,767 | | 4,395 | |
| Cash at bank and in hand | | 330 | | 702 | |
| | | <u>3,097</u> | | <u>5,097</u> | |
| Creditors: amounts falling due within one year | 14 | (4,432) | | (1,244) | |
| Net current (liabilities)/assets | | | <u>(1,335)</u> | | <u>3,853</u> |
| Total assets less current liabilities | | | 10,683 | | 8,108 |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 15 | 94 | (94) | 97 | (97) |
| Net assets | | | <u>10,589</u> | | <u>8,011</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | - | | - |
| Profit and loss reserves | | | 10,589 | | 8,011 |
| Total equity | | | <u>10,589</u> | | <u>8,011</u> |

The notes on pages 14 to 24 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 26 September 2023 and are signed on its behalf by:

M J Moore
Director

Company Registration No. 03546995

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

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

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------------|---------|
| | Notes | £'000 | £'000 | £'000 |
| Balance at 1 January 2021 | | - | 6,641 | 6,641 |
| Year ended 31 December 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 2,718 | 2,718 |
| Dividends | 10 | - | (1,348) | (1,348) |
| Balance at 31 December 2021 | | - | 8,011 | 8,011 |
| Year ended 31 December 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 2,578 | 2,578 |
| Balance at 31 December 2022 | | - | 10,589 | 10,589 |

The notes on pages 14 to 24 form part of these financial statements.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

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 operations | 20 | | 8,454 | | 2,676 |
| Interest paid | | | - | | (1) |
| Income taxes paid | | | (594) | | (710) |
| Net cash inflow from operating activities | | | 7,860 | | 1,965 |
| Investing activities | | | | | |
| Purchase of intangible assets | | (5,898) | | - | |
| Purchase of tangible fixed assets | | (2,329) | | (294) | |
| Proceeds on disposal of tangible fixed assets | | (5) | | 53 | |
| Net cash used in investing activities | | | (8,232) | | (241) |
| Financing activities | | | | | |
| Payment of finance leases obligations | | - | | (57) | |
| Dividends paid | | - | | (1,348) | |
| Net cash used in financing activities | | | - | | (1,405) |
| Net (decrease)/increase in cash and cash equivalents | | | (372) | | 319 |
| Cash and cash equivalents at beginning of year | | | 702 | | 383 |
| Cash and cash equivalents at end of year | | | 330 | | 702 |

The notes on pages 14 to 24 form part of these financial statements.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Dicky Birds Pre School Nurseries Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tuscany House, White Hart Lane, Basingstoke, Hampshire, United Kingdom, RG21 4AF.

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 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

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.

1.3 Turnover

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

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses 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 15 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. Goodwill would only be impaired after the post integration period, which is typically 12 months from acquisition.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost 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 | 0-2% and over 50 years |
| Leasehold land and buildings | Over term of lease |
| Fixtures and fittings | 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 credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company 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).

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with 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, cash and bank balances and amounts due from group undertakings, 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are classified as debt, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 company'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 when the company has 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.

DICKY BIRDS PRE SCHOOL NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 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 leases asset are consumed.

1.14 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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.

Recoverability of group balances

The directors estimate whether there is any impairment in the carrying value of amounts due from other group undertakings on an annual basis, with reference to future expected performance and cashflows of those entities. Any such impairment is charged to profit and loss.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Turnover analysed by class of business | | |
| Nursery fees | 12,633 | 9,841 |

| | 2022 £'000 | 2021 £'000 |
|----------------------|---------------|---------------|
| Other revenue | | |
| Grants received | - | 48 |

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 company | 10 | 10 |
| For other services | | |
| Taxation compliance services | 4 | 4 |

5 Operating profit

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Government grants | - | (48) |
| Depreciation of owned tangible fixed assets | 302 | 173 |
| Loss/(profit) on disposal of tangible fixed assets | 5 | (39) |
| Amortisation of intangible assets | 164 | - |
| Operating lease charges | 1,062 | 621 |

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

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

| | 2022 Number | 2021 Number |
|---------------|-------------------|-------------------|
| Management | 6 | 11 |
| Nursery staff | 245 | 275 |
| | <u> </u> | <u> </u> |
| Total | 251 | 286 |
| | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | 2022 £'000 | 2021 £'000 |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 4,758 | 4,340 |
| Social security costs | 367 | 297 |
| Pension costs | 80 | 69 |
| | <u> </u> | <u> </u> |
| | 6,203 | 4,706 |
| | <u> </u> | <u> </u> |

7 Directors' remuneration

| | 2022 £'000 | 2021 £'000 |
|---|-------------------|-------------------|
| Remuneration for qualifying services | 77 | 96 |
| Company pension contributions to defined contribution schemes | 1 | 1 |
| | <u> </u> | <u> </u> |
| | 78 | 97 |
| | <u> </u> | <u> </u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

8 Interest payable and similar expenses

| | 2022 £'000 | 2021 £'000 |
|--|-------------------|-------------------|
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | - | 1 |
| | <u> </u> | <u> </u> |

9 Taxation

| | 2022 £'000 | 2021 £'000 |
|--|-------------------|-------------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 585 | 530 |
| Adjustments in respect of prior periods | - | (44) |
| | <u> </u> | <u> </u> |
| Total current tax | 585 | 486 |
| | <u> </u> | <u> </u> |

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation (Continued)

| | 2022 £'000 | 2021 £'000 |
|--|-------------------|-------------------|
| Deferred tax | | |
| Origination and reversal of timing differences | (3) | 77 |
| | <u> </u> | <u> </u> |
| Total tax charge | 582 | 563 |
| | <u> </u> | <u> </u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 £'000 | 2021 £'000 |
|--|-------------------|-------------------|
| Profit before taxation | 3,160 | 3,281 |
| | <u> </u> | <u> </u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 600 | 623 |
| Tax effect of expenses that are not deductible in determining taxable profit | 31 | 1 |
| Adjustments in respect of prior years | - | (44) |
| Effect of change in corporation tax rate | 27 | - |
| Group relief | (89) | (100) |
| Depreciation on assets not qualifying for tax allowances | 14 | 16 |
| Other permanent differences | 1 | 2 |
| Deferred tax adjustments in respect of prior years | - | 67 |
| Enhanced capital allowances | (2) | (2) |
| | <u> </u> | <u> </u> |
| Taxation charge for the year | 582 | 563 |
| | <u> </u> | <u> </u> |

10 Dividends

| | 2022 £'000 | 2021 £'000 |
|------------|-------------------|-------------------|
| Final paid | - | 1,348 |
| | <u> </u> | <u> </u> |

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets

| | Goodwill £'000 |
|------------------------------------|---------------------|
| Cost | |
| At 1 January 2022 | - |
| Additions | 5,898 |
| | <u>5,898</u> |
| At 31 December 2022 | <u>5,898</u> |
| Amortisation and impairment | |
| At 1 January 2022 | - |
| Amortisation charged for the year | 164 |
| | <u>164</u> |
| At 31 December 2022 | <u>164</u> |
| Carrying amount | |
| At 31 December 2022 | 5,734 |
| | <u><u>5,734</u></u> |
| At 31 December 2021 | <u><u>-</u></u> |

On 8 August 2022, the Company acquired the trade and assets of the Maggie & Rose Group of nurseries for an amount of £7.7m. This acquisition generated goodwill of £5.898m.

12 Tangible fixed assets

| | Freehold land and buildings | Leasehold land and buildings | Assets under construction | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|--------------------------------|---------------------------------|------------------------------|--------------------------|-----------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | | |
| At 1 January 2022 | 4,619 | 56 | - | 432 | 34 | 5,141 |
| Additions | - | 1,923 | 185 | 221 | - | 2,329 |
| | <u>4,619</u> | <u>1,979</u> | <u>185</u> | <u>653</u> | <u>34</u> | <u>7,470</u> |
| At 31 December 2022 | <u>4,619</u> | <u>1,979</u> | <u>185</u> | <u>653</u> | <u>34</u> | <u>7,470</u> |
| Depreciation and impairment | | | | | | |
| At 1 January 2022 | 606 | 1 | - | 243 | 34 | 884 |
| Depreciation charged in the year | 92 | 96 | - | 114 | - | 302 |
| | <u>698</u> | <u>97</u> | <u>-</u> | <u>357</u> | <u>34</u> | <u>1,186</u> |
| At 31 December 2022 | <u>698</u> | <u>97</u> | <u>-</u> | <u>357</u> | <u>34</u> | <u>1,186</u> |
| Carrying amount | | | | | | |
| At 31 December 2022 | 3,921 | 1,882 | 185 | 296 | - | 6,284 |
| | <u><u>3,921</u></u> | <u><u>1,882</u></u> | <u><u>185</u></u> | <u><u>296</u></u> | <u><u>-</u></u> | <u><u>6,284</u></u> |
| At 31 December 2021 | 4,013 | 55 | - | 188 | - | 4,255 |
| | <u><u>4,013</u></u> | <u><u>55</u></u> | <u><u>-</u></u> | <u><u>188</u></u> | <u><u>-</u></u> | <u><u>4,255</u></u> |

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Debtors

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade debtors | 187 | 2 |
| Corporation tax recoverable | 64 | 54 |
| Amounts owed by group undertakings | 1,989 | 4,045 |
| Other debtors | 21 | 7 |
| Prepayments and accrued income | 506 | 287 |
| | <u>2,767</u> | <u>4,395</u> |

14 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade creditors | 574 | 603 |
| Amounts owed to group undertakings | 2,330 | - |
| Taxation and social security | 157 | 71 |
| Other creditors | 710 | 294 |
| Accruals and deferred income | 661 | 276 |
| | <u>4,432</u> | <u>1,244</u> |

Hire purchase and finance leases agreements are secured over the assets to which they relate.

15 Deferred taxation

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

| | Liabilities 2022 | Liabilities 2021 |
|-------------------------------------|---------------------|---------------------|
| | £'000 | £'000 |
| Balances: | | |
| Accelerated capital allowances | 99 | 100 |
| Other short-term timing differences | (5) | (3) |
| | <u>94</u> | <u>97</u> |
| | | |
| Movements in the year: | | 2022 |
| | | £'000 |
| Liability at 1 January 2022 | | 97 |
| Credit to profit or loss | | (3) |
| | | <u>94</u> |
| Liability at 31 December 2022 | | <u>94</u> |

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Retirement benefit schemes

| | 2022 | 2021 |
|---|-------|-------|
| Defined contribution schemes | £'000 | £'000 |
| Charge to profit or loss in respect of defined contribution schemes | 76 | 69 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Financial commitments, guarantees and contingent liabilities

The Company is party to a intercreditor agreement as an additional guarantor with certain other group companies. The legal charge includes, a fixed charge over all shares; and all related rights.

The Company is also subject to a security deed in relation to this intercreditor agreement with a fixed charge over the Bank accounts of the company.

Details of these fixed charges and the associated security deeds can be found on Companies House.

18 Operating lease commitments

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

| | 2022 | 2021 |
|----------------------------|--------|-------|
| | £'000 | £'000 |
| Within one year | 1,441 | 569 |
| Between two and five years | 5,609 | 2,274 |
| In over five years | 12,330 | 4,454 |
| | 19,380 | 7,297 |

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 company had contracted with tenants for the following minimum lease payments:

| | 2022 | 2021 |
|----------------------------|-------|-------|
| | £'000 | £'000 |
| Within one year | 307 | - |
| Between two and five years | 1,227 | - |
| In over five years | 1,512 | - |
| | 3,046 | - |

DICKY BIRDS PRE SCHOOL NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Ultimate controlling party

The immediate parent undertaking is Grandir UK Limited 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 group in which the company is consolidated is Grandir UK Limited, the largest group is The Grandir Group SAS.

The registered office of Grandir UK Limited is Tuscany House, White Hart Lane, Basingstoke, Hampshire, RG21 4AF and the registered office of The Grandir Group SAS is 6 Allee Jean Prouve, 92110, Clichy, France.

The consolidated financial statements of Grandir UK Limited are available from Companies House.

20 Cash generated from operations

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Profit for the year after tax | 2,578 | 2,718 |
| Adjustments for: | | |
| Taxation charged | 582 | 563 |
| Finance costs | - | 1 |
| Loss/(gain) on disposal of tangible fixed assets | 5 | (39) |
| Amortisation and impairment of intangible assets | 164 | - |
| Depreciation and impairment of tangible fixed assets | 302 | 174 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 1,634 | (846) |
| Increase in creditors | 3,189 | 106 |
| Cash generated from operations | 8,454 | 2,677 |

21 Analysis of changes in net funds

| | 1 January 2022 £'000 | Cash flows £'000 | 31 December 2022 £'000 |
|--------------------------|-------------------------|---------------------|------------------------------|
| Cash at bank and in hand | 702 | (372) | 330 |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.