

St. Ives Nursery Limited

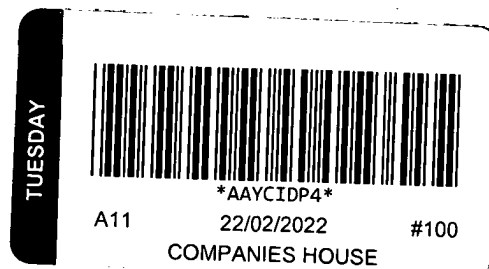
Directors' Report and Unaudited

Financial Statements

Period Ended

30 June 2021

Company Number 04915593



St. Ives Nursery Limited

Contents

	Page
Company Information	
Directors' Report	1
Accountants' Report	2
Statement of Income and Retained Earnings	3
Statement of Financial Position	4
Notes to the Financial Statements	5 - 12

Company Information

Directors	T A Storey S M Booty D S Harrison C E Wilson
Registered number	04915593
Registered office	1 Pride Point Drive Pride Park Derby England DE24 8BX
Accountants	BDO LLP Two Snowhill Birmingham B4 6GA

St. Ives Nursery Limited

Directors' Report For the Period Ended 30 June 2021

The Directors present their report and the financial statements for the period ended 30 June 2021.

Principal activity

The principal activity of the Company is childcare in day nurseries.

Directors

The Directors who served during the period were:

T A Storey (resigned 29 June 2021)
S M Booty (appointed 29 June 2021)
D S Harrison (appointed 17 June 2021)
C E Wilson (appointed 29 June 2021)

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.

Based on their experience of the period since the outbreak of the virus and engagement with customers and other stakeholders, the Directors and senior management team have updated their forecasting model to reflect their expectations for the foreseeable future, being a period of 12 months from the approval of the financial statements to December 2022. Based on occupancy growth since re-opening and current occupancy levels across the trading entities in the group the Directors are satisfied that the Group and Company can satisfy liabilities when they fall due and comply with relevant banking covenants.

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 period for the benefit of one or more Directors.

Exemption from audit by parent guarantee

The ultimate parent company, ICP Education Holdings Limited (formerly ICP Nurseries Holdings 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.

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: 21 January 2022

St. Ives Nursery Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of St. Ives Nursery Limited For the Period Ended 30 June 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of St. Ives Nursery Limited for the period ended 30 June 2021 which comprise the Statement of Income and Retained Earnings 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 St. Ives Nursery 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 profit of St. Ives Nursery Limited. You consider that St. Ives Nursery Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of St. Ives Nursery 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 St. Ives Nursery 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 St. Ives Nursery Limited and state those matters that we have agreed to state to the Board of Directors of St. Ives Nursery 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 St. Ives Nursery Limited and its Board of Directors as a body for our work or for this report.



BDO LLP
Birmingham
United Kingdom

Date: 24 January 2022

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

St. Ives Nursery Limited

Statement of Income and Retained Earnings For the Period Ended 30 June 2021

	Note	15 month Period Ended 30 June 2021 £	Year ended 31 March 2020 £
Turnover		907,617	886,553
Cost of sales		(579,275)	(488,509)
Gross profit		328,342	398,044
Administrative expenses		(239,409)	(221,145)
Other operating income	4	72,212	-
Operating profit		161,145	176,899
Interest payable and similar expenses		(18)	-
Profit before tax		161,127	176,899
Tax on profit		16,916	(13,841)
Profit after tax		178,043	163,058
Retained earnings at the beginning of the period		383,032	219,974
Profit for the period		178,043	163,058
Retained earnings at the end of the period		561,075	383,032

The notes on pages 5 to 12 form part of these financial statements.

St. Ives Nursery Limited
Registered number:04915593

Statement of Financial Position
As at 30 June 2021

	Note	30 June 2021 £	30 June 2021 £	31 March 2020 £	31 March 2020 £
Fixed assets					
Tangible assets	6		76,371		118,444
Current assets					
Debtors: amounts falling due within one year	7	577,739		220,749	
Cash at bank and in hand		25,783		103,240	
		<u>603,522</u>		<u>323,989</u>	
Creditors: amounts falling due within one year	8	(118,618)		(56,760)	
Net current assets			<u>484,904</u>		<u>267,229</u>
Total assets less current liabilities			<u>561,275</u>		<u>385,673</u>
Provisions for liabilities					
Deferred tax			-		(2,441)
Net assets			<u><u>561,275</u></u>		<u><u>383,232</u></u>
Capital and reserves					
Called up share capital			200		200
Profit and loss account			561,075		383,032
			<u><u>561,275</u></u>		<u><u>383,232</u></u>

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 period 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: 21 January 2022

The notes on pages 5 to 12 form part of these financial statements.

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

1. General information

St Ives Nursery 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 Director's 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.

Based on their experience of the period since the outbreak of the virus and engagement with customers and other stakeholders, the Directors and senior management team have updated their forecasting model to reflect their expectations for the foreseeable future, being a period of 12 months from the approval of the financial statements to December 2022. Based on occupancy growth since re-opening and current occupancy levels across the trading entities in the group the Directors are satisfied that the Group and Company can satisfy liabilities when they fall due and comply with relevant banking covenants.

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

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

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 the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.5 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 the 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.

2.6 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 the Statement of Income and Retained Earnings 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.

2.7 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the period 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 Statement of Financial Position 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.

2.9 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:

Long-term leasehold improvements	-	10% straight line
Fixtures and fittings	-	20% - 33% straight line
Computer and office equipment	-	20% - 33% straight line
Other fixed assets	-	20% - 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 the Statement of Income and Retained Earnings.

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

2. Accounting policies (continued)

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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.

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 the interest rate implicit in the contract.

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

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:

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 6.

4. Other operating income

	15 month Period Ended 30 June 2021 £	Year Ended 31 March 2020 £
Government grants receivable	72,212	-

5. Employees

The average monthly number of employees, including directors, during the period was 27 (2020 - 31).

St. Ives Nursery Limited

Notes to the Financial Statements
For the Period Ended 30 June 2021

6. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer and office equipment £	Other fixed assets £	Assets under construction £	Total £
Cost						
At 1 April 2020	144,595	55,161	8,153	47,445	-	255,354
Additions	1,660	1,683	225	2,417	944	6,929
At 30 June 2021	146,255	56,844	8,378	49,862	944	262,283
Depreciation						
At 1 April 2020	68,890	32,727	6,042	29,251	-	136,910
Charge for the period	15,129	17,321	1,850	14,702	-	49,002
At 30 June 2021	84,019	50,048	7,892	43,953	-	185,912
Net book value						
At 30 June 2021	62,236	6,796	486	5,909	944	76,371
At 31 March 2020	75,705	22,434	2,111	18,194	-	118,444

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

7. Debtors

	30 June 2021 £	31 March 2020 £
Amounts owed by group undertakings	567,590	214,049
Other debtors	1	485
Prepayments and accrued income	7,073	6,215
Deferred taxation	3,075	-
	<u>577,739</u>	<u>220,749</u>

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

8. Creditors: Amounts falling due within one year

	30 June 2021 £	31 March 2020 £
Trade creditors	9,875	8,427
Amounts owed to group undertakings	2,496	-
Corporation tax	-	11,400
Other taxation and social security	12,726	14,578
Other creditors	19,810	11,898
Accruals and deferred income	73,711	10,457
	<u>118,618</u>	<u>56,760</u>

9. Contingent liabilities

During the prior 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.

10. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charged represents contributions payable by the Company to the fund amounting to £8,105 (2020 - £6,666). Contributions totalling £1,160 (2020 - £1,587) were payable by the Company to the fund at the reporting date and are included within other creditors.

St. Ives Nursery Limited

Notes to the Financial Statements For the Period Ended 30 June 2021

11. Commitments under operating leases

At 30 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	30 June 2021 £	31 March 2020 £
Not later than 1 year	32,500	32,500
Later than 1 year and not later than 5 years	130,000	130,000
Later than 5 years	525,765	566,390
	<u>688,265</u>	<u>728,890</u>

12. 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.

The Company made purchases of £Nil (2020 - £7,398) for services received to Broaden (HR) Limited, a Company connected through common control. At the period end, £Nil (2020 - £1,014) was outstanding.

13. Controlling party

The Company's immediate parent company is 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 ICP Education Holdings Limited (formerly ICP Nurseries Holdings 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 ICP Education Holdings Limited (formerly ICP Nurseries Holdings Limited). Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.