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**BLACKWATER PARTNERS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**BLACKWATER PARTNERS LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	JK Player
<b>Company secretary</b>	Mrs JM Player
<b>Registered number</b>	08487496
<b>Registered office</b>	Seymour House 140 Broomfield Road Chelmsford Essex CM1 1RN
<b>Independent auditor</b>	Barnes Roffe LLP Chartered Accountants  Statutory Auditor Leytonstone House Leytonstone London E11 1GA

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**BLACKWATER PARTNERS LIMITED**

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## BLACKWATER PARTNERS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

Blackwater Partners Limited is the non-trading parent company of three wholly owned trading subsidiaries, Seymour House Limited, L3 Property Limited and The Professional Nursery Kitchen Limited. Seymour House Limited's principal activity is the provision of childcare through a chain of nursery schools. The principal activity of L3 Property Limited is residential and commercial lettings. The principal activity of The Professional Nursery Kitchen Limited is that of the preparation and delivery of meals to nursery schools.

#### Business review

The director is pleased with the Group's performance. Consistently high occupancy levels across both subsidiaries have ensured healthy levels of revenue and profit for the period. Early trading by The Professional Nursery Kitchen is also encouraging.

The Group is in a strong position as at the end of the financial period.

#### Principal risks and uncertainties

##### Financial Risk

Cash flow risk is managed internally by the Group's finance function and the Group has been stress tested and it has been deemed that there is no significant exposure to interest rate risk.

##### Business Risk

The Group is committed to providing and maintaining safe and healthy environments. Health and Safety risk is primarily managed by the Group's Health and Safety Officer.

One of the Group's subsidiaries is registered with and approved by the Office for Standards in Education under the Children's Act 2004. That company regularly reviews and updates its policies and procedures to ensure compliance with the standards set by this body.

#### Financial key performance indicators

Occupancy rates are tracked as a key performance indicator as they give a clear indication of both the level of demand for the service provided by the Group and the degree to which the level of service is valued by the current customer base.

Ofsted inspection ratings provide a good indication of the performance of Seymour House Limited. Ofsted ratings have a direct impact on demand for the service provided.

This report was approved by the board on 16 February 2021 and signed on its behalf.

**JK Player**

Director

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## BLACKWATER PARTNERS LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

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The director presents his report and the financial statements for the year ended 31 March 2020.

#### Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,508,659 (2019 - £804,313).

During the year the director declared a dividend of £72,000 (2019 - £72,000).

#### Director

The director who served during the year was:

JK Player

#### Future developments

The Group will continue to seek and explore new opportunities as they arise.

#### Engagement with employees

Employees are consulted on matters that are of concern to them through the management team and all employees are made aware of the financial and economic performance of the Group. Employees involvement in the Group's performance is also encouraged.

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**BLACKWATER PARTNERS LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

Like all UK businesses, the Company and the Group have been affected by the COVID-19 pandemic, which began to affect the UK in early 2020, following the Company's financial year end. The directors quickly took steps to mitigate any adverse affects of the pandemic on the finances of the Company and the Group. The director continues to carefully monitor the situation, both in terms of the direct impact and on the wider economy as a whole.

Subsequent to the year end, the Group acquired a freehold property for consideration of £600,000.

**Auditor**

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 February 2021 and signed on its behalf.

**JK Player**

Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWATER PARTNERS LIMITED

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**Opinion**

We have audited the financial statements of Blackwater Partners Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows and the related notes, including a summary of 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 Group's and of the parent Company's affairs as at 31 March 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWATER PARTNERS LIMITED (CONTINUED)**

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 Director's responsibilities statement on page 2, the director is 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 director determines 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 director is responsible for assessing the Group's and the parent 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWATER PARTNERS LIMITED (CONTINUED)

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**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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Simon Liggins (Senior statutory auditor)

for and on behalf of

**Barnes Roffe LLP**

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London

E11 1GA

22 February 2021

BLACKWATER PARTNERS LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	8,935,892	8,113,220
Cost of sales		(5,434,452)	(5,235,390)
<b>Gross profit</b>		<b>3,501,440</b>	<b>2,877,830</b>
Distribution costs		(113,377)	(58,435)
Administrative expenses		(1,546,038)	(1,680,664)
Other operating income	5	101,153	28,560
<b>Operating profit</b>	6	<b>1,943,178</b>	<b>1,167,291</b>
Interest payable and expenses	10	(122,806)	(116,670)
<b>Profit before tax</b>		<b>1,820,372</b>	<b>1,050,621</b>
Tax on profit	11	(311,713)	(246,308)
<b>Profit after tax</b>		<b>1,508,659</b>	<b>804,313</b>
Retained earnings at the beginning of the year		4,502,408	3,770,095
Profit for the year attributable to the owners of the parent		1,508,659	804,313
Dividends declared and paid		(72,000)	(72,000)
<b>Retained earnings at the end of the year</b>		<b>5,939,067</b>	<b>4,502,408</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 12 to 29 form part of these financial statements.

**BLACKWATER PARTNERS LIMITED**  
**REGISTERED NUMBER: 08487496**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2020 £</b>	<b>2019 £</b>	<b>2019 £</b>
<b>Fixed assets</b>					
Intangible assets	14		<b>1,000,000</b>		<i>1,250,000</i>
Tangible assets	15		<b>9,692,427</b>		<i>9,302,350</i>
			<b>10,692,427</b>		<i>10,552,350</i>
<b>Current assets</b>					
Debtors: amounts falling due within one year	17	<b>314,060</b>		<i>113,647</i>	
Cash at bank and in hand	18	<b>1,425,460</b>		<i>738,039</i>	
		<b>1,739,520</b>		<i>851,686</i>	
Creditors: amounts falling due within one year	19	<b>(3,484,956)</b>		<i>(5,126,048)</i>	
<b>Net current liabilities</b>			<b>(1,745,436)</b>		<i>(4,274,362)</i>
<b>Total assets less current liabilities</b>			<b>8,946,991</b>		<i>6,277,988</i>
Creditors: amounts falling due after more than one year	20		<b>(2,867,036)</b>		<i>(1,634,692)</i>
<b>Provisions for liabilities</b>					
<b>Net assets</b>			<b>6,079,955</b>		<i>4,643,296</i>
<b>Capital and reserves</b>					
Called up share capital	22		<b>200</b>		<i>200</i>
Merger reserve	23		<b>140,688</b>		<i>140,688</i>
Profit And Loss Account	23		<b>5,939,067</b>		<i>4,502,408</i>
<b>Equity attributable to owners of the parent Company</b>			<b>6,079,955</b>		<i>4,643,296</i>
			<b>6,079,955</b>		<i>4,643,296</i>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2021.

**JK Player**

Director

The notes on pages 12 to 29 form part of these financial statements.

**BLACKWATER PARTNERS LIMITED**  
**REGISTERED NUMBER: 08487496**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Fixed assets</b>					
Investments	16		<b>300</b>		<b>300</b>
			<u>300</u>		<u>300</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	17	<b>432,000</b>		<b>360,000</b>	
		<u>432,000</u>		<u>360,000</u>	
Creditors: amounts falling due within one year	19	<b>(432,100)</b>		<b>(360,100)</b>	
		<u>(432,100)</u>		<u>(360,100)</u>	
<b>Net current liabilities</b>			<b>(100)</b>		<b>(100)</b>
<b>Total assets less current liabilities</b>			<b>200</b>		<b>200</b>
<b>Net assets</b>			<u><b>200</b></u>		<u><b>200</b></u>
<b>Capital and reserves</b>					
Called up share capital	22		<b>200</b>		<b>200</b>
			<u><b>200</b></u>		<u><b>200</b></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2021.

**JK Player**  
Director

The notes on pages 12 to 29 form part of these financial statements.

BLACKWATER PARTNERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,508,659	804,313
<b>Adjustments for:</b>		
Amortisation of intangible assets	250,000	250,000
Depreciation of tangible assets	32,127	37,866
Government grants	(101,153)	(28,560)
Interest paid	122,806	116,670
Taxation charge	311,713	246,308
(Increase) in debtors	(200,413)	(31,868)
(Decrease) in creditors	(86,971)	(753,239)
Corporation tax (paid)	(204,313)	(311,185)
<b>Net cash generated from operating activities</b>	<b>1,632,455</b>	<b>330,305</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(422,204)	(451,634)
Government grants received	101,153	28,560
<b>Net cash from investing activities</b>	<b>(321,051)</b>	<b>(423,074)</b>
<b>Cash flows from financing activities</b>		
New secured loans	1,621,660	748,813
Repayment of loans	(2,643,629)	-
Dividends paid	(72,000)	(72,000)
Interest paid	(122,806)	(116,670)
<b>Net cash used in financing activities</b>	<b>(1,216,775)</b>	<b>560,143</b>
<b>Net increase in cash and cash equivalents</b>	<b>94,629</b>	<b>467,374</b>
Cash and cash equivalents at beginning of year	677,415	210,041
<b>Cash and cash equivalents at the end of year</b>	<b>772,044</b>	<b>677,415</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,425,460	738,039
Bank overdrafts	(653,416)	(60,624)
	<b>772,044</b>	<b>677,415</b>

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**BLACKWATER PARTNERS LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2020**

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	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	738,039	687,421	1,425,460
Bank overdrafts	(60,624)	(592,792)	(653,416)
Debt due after 1 year	(1,634,692)	(1,232,344)	(2,867,036)
Debt due within 1 year	(3,534,222)	2,602,746	(931,476)
	<u>(4,491,499)</u>	<u>1,465,031</u>	<u>(3,026,468)</u>

The notes on pages 12 to 29 form part of these financial statements.

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## BLACKWATER PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

Blackwater Partners Limited (the "Company") is a company limited by shares, incorporated in England and Wales. Its registered office is Seymour House, 140 Broomfield Road, Chelmsford, Essex, CM1 1RN.

#### 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 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The principal accounting policies applied in the preparation of these Group and Company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

##### 2.3 Exemptions for qualifying entities under FRS 102

FRS 102 section 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and there being no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemption:

(i) From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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2. Accounting policies (continued)

2.4 Going concern

The director has considered the impact of COVID-19 on the ability of the Group to continue as a Going Concern. In making his assessment the director had prepared and critically reviewed the Group's cash flow forecast for the next 12 months and ensured that this forecast is modelled on a suitably cautious basis bearing in mind the unpredictable nature of the pandemic and its possible impact on the Company and the wider economy. As well as considering cash flow, the director has also taken into account the immediate and future impact on Profit and Loss and Balance Sheet of COVID-19.

Based on these assessments the directors have concluded that the Group has adequate resources to continue in existence for the foreseeable future as a Going Concern and accordingly these financial statements have been prepared on that basis.

2.5 Revenue

The Group has the following main sources of revenue:

Blackwater Partners Limited

The Company receives dividend income. This is accounted for when received. The Company has no other forms of revenue.

Seymour House Limited

The main revenue stream of this company is from childcare through a chain of nursery schools. Revenue for this service is derived from two sources 1) directly charging the parents per child for attendance on an hourly basis and 2) Free Entitlement to Nursery Education (previously Nursery Education Grant) from the Council (where certain criteria are met) paid directly to the company. Parents are invoiced monthly in advance based on future anticipated attendance by the child. Income paid in advance of the service provided is deferred and released once the revenue recognition criteria are met. Certain children are entitled to a Free Entitlement to Nursery Education grant based on pre-determined Government criteria. This income is accounted for in the period to which it relates. Included in Group turnover is £1,048,195 (2019 - £936,968) representing Free Entitlement to Nursery Education.

The company also receives bank interest, which is accounted for when received.

L3 Property Limited

This company receives rental income from assets leased under operating leases and this is charged to the statement of comprehensive income on a straight line basis over the lease term.

The Professional Nursery Kitchen Limited

This company receives income from the provision of nursery food and cleaning services. Revenue arising from these services is recognised in the period the services were provided. The company invoices their customers on a monthly basis therefore no accrued income or deferred income exist.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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**2. Accounting policies (continued)**

**2.6 Operating leases: the Group as lessor**

Rentals income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

**2.7 Operating leases: the Group as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.8 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 profit or loss 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 Consolidated statement of income and retained earnings in the same period as the related expenditure.

**2.9 Finance costs**

Finance costs are charged to profit or loss 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.

**2.10 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.11 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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**2. Accounting policies (continued)**

**2.12 Taxation**

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

**2.13 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.14 Related party transactions**

The Group and Company discloses transactions with related parties which are not wholly within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the director, separate disclosure is necessary to understand the effect of the transaction on the Group financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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**2. Accounting policies (continued)**

**2.15 Intangible assets and goodwill**

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.

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 five years. Intangible assets that are not yet brought into use are not amortised. The Directors will assess the useful economic life of such intangibles when they are brought into use.

Acquired goodwill is capitalised and amortised over its useful economic life, currently 10 years. The Directors would consider the useful economic life for any future additions based on their knowledge and experience of the sector and with due regard to prevailing accounting standards.

All goodwill is reviewed for impairment at the end of its first full financial year following acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

**2.16 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The freehold and long term leasehold properties are maintained to a high standard and are used in the principal activities of the Group. As such no depreciation is charged on the properties. This treatment is contrary to the Companies Act 2006 which states fixed assets should be depreciated but is, in the director's opinion, necessary in order to give a true and fair view of the financial position of the group.

Certain tangible fixed assets comprise investment properties and are included in the balance sheet at their open market value and are not depreciated as they are maintained to a high standard and are used in the principal activities of the Group. This treatment is contrary to the Companies Act 2006 which states fixed assets should be depreciated but is, in the director's opinion, necessary in order to give a true and fair view of the financial position of the Group. Investment properties are assessed annually by the director for signs of impairment. Any impairment is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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**2. Accounting policies (continued)**

**2.16 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as mentioned below..

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Long term leasehold property	- Not depreciated
Fixtures, fittings & equipment	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Office equipment	- 25% reducing balance

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 profit or loss.

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.18 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.

**2.19 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.20 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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**2. Accounting policies (continued)**

**2.21 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**2.22 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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

Estimates and judgments are continually applied and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical judgments in applying the entity's accounting policies**

No critical accounting judgments have had to be made by management in preparing these financial statements.

**Critical accounting estimates and assumptions**

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in estimated useful economic lives. The policy for depreciating assets is reviewed on an annual basis. Carrying values will be amended where necessary to reflect current estimates. See note 15 for the carrying value of property, plant and equipment and note 2.16 for the depreciation policy for each class of assets.

It is the opinion of the director that freehold and leasehold properties should not be depreciated. The properties are instead held at their open market value at the balance sheet date. The properties are maintained at a high standard and used in the principal activities of the Group. Impairment reviews on the properties are carried out on an annual basis, with any impairments recognised in the profit or loss.

(ii) Useful economic lives of intangible assets

Goodwill recognised is the difference between the amounts paid on the acquisition of a business and the fair value of identifiable assets and liabilities. The annual amortisation charge is sensitive to the estimated useful economic life of the goodwill. Goodwill is reviewed by the director on an annual basis and any impairments recognised in the profit or loss. See note 14 for the carrying value of goodwill, and note 2.15 for the estimated economic life.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Trading income	8,890,892	8,069,395
Rent receivable	45,000	43,825
	<u>8,935,892</u>	<u>8,113,220</u>

All turnover arose within the United Kingdom.

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**BLACKWATER PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**5. Other operating income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Government grants receivable	<b>101,153</b>	<b>28,560</b>
	<u><b>101,153</b></u>	<u><b>28,560</b></u>

**6. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation on tangible fixed assets	<b>32,127</b>	<b>37,866</b>
Amortisation on intangible fixed assets	<b>250,000</b>	<b>250,000</b>
Other operating lease rentals	<u><b>33,710</b></u>	<u><b>40,751</b></u>

**7. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u><b>18,000</b></u>	<u><b>18,000</b></u>

**BLACKWATER PARTNERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**8. Employees**

Staff costs, including director's remuneration, were as follows:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Wages and salaries	<b>4,351,807</b>	4,271,875	-	-
Social security costs	<b>289,040</b>	268,997	-	-
Cost of defined contribution scheme	<b>78,799</b>	61,085	-	-
	<b><u>4,719,646</u></b>	<u>4,601,957</u>	<b><u>-</u></b>	<u>-</u>

The average monthly number of employees, including the director, during the year was as follows:

	<b>2020 No.</b>	<i>2019 No.</i>
Management staff	<b>18</b>	18
Central office staff	<b>8</b>	8
Nursery staff	<b>236</b>	178
Kitchen staff	<b>18</b>	14
	<b><u>280</u></b>	<u>218</u>

The Company has no employees other than the director, who did not receive any remuneration (2019 - £NIL)

**9. Director's remuneration**

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

**10. Interest payable and similar expenses**

	<b>2020 £</b>	<i>2019 £</i>
Bank interest payable	<b>122,806</b>	116,670
	<b><u>122,806</u></b>	<u>116,670</u>



BLACKWATER PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	327,359	246,308
Adjustments in respect of previous periods	(15,646)	-
<b>Total current tax</b>	<b>311,713</b>	<b>246,308</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>1,820,372</b>	<b>1,050,621</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>345,871</b>	199,618
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>42,582</b>	68,227
Capital allowances for year in excess of depreciation	(61,094)	(21,537)
Adjustments to tax charge in respect of prior periods	(15,646)	-
<b>Total tax charge for the year</b>	<b>311,713</b>	<b>246,308</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

12. Dividends

	2020 £	2019 £
Dividends paid on equity capital	<b>72,000</b>	<b>72,000</b>

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**BLACKWATER PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The profit after tax of the parent Company for the year was £72,000 (2019 - £72,000).

**14. Intangible assets****Group and Company**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2019	2,500,000
	<hr/>
At 31 March 2020	2,500,000
	<hr/>
<b>Amortisation</b>	
At 1 April 2019	1,250,000
Charge for the year on owned assets	250,000
	<hr/>
At 31 March 2020	1,500,000
	<hr/>
<b>Net book value</b>	
At 31 March 2020	<u>1,000,000</u>
<i>At 31 March 2019</i>	<u><u>1,250,000</u></u>

BLACKWATER PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

15. Tangible fixed assets

Group

	Freehold property £	Fixtures, fittings & equipment £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	9,181,192	225,754	27,250	10,091	9,444,287
Additions	412,223	9,981	-	-	422,204
At 31 March 2020	9,593,415	235,735	27,250	10,091	9,866,491
<b>Depreciation</b>					
At 1 April 2019	-	126,156	11,496	4,285	141,937
Charge for the year on owned assets	-	26,736	3,939	1,452	32,127
At 31 March 2020	-	152,892	15,435	5,737	174,064
<b>Net book value</b>					
At 31 March 2020	9,593,415	82,843	11,815	4,354	9,692,427
<b>At 31 March 2019</b>	9,181,192	99,598	15,754	5,806	9,302,350

Tangible fixed assets with a carrying value of £797,220 (2019 - £797,220) are used in operating leases. The Group received rental income in relation to these operating leases amounting to £45,000 (2019 - £43,825).

Included within freehold and long term leasehold property above are investment properties. Investment properties are stated at open market value by the director, after making suitable enquiries with qualified external consultants. The historic cost of investment properties is £797,220 (2019 - £797,220).

BLACKWATER PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

16. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2019	474,300
At 31 March 2020	474,300
<b>Impairment</b>	
At 1 April 2019	474,000
At 31 March 2020	474,000
<b>Net book value</b>	
At 31 March 2020	300
<b>At 31 March 2019</b>	300

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
L3 Property Limited	Ordinary	100 %
Seymour House Limited	Ordinary	100 %
The Professional Nursery Kitchen Limited	Ordinary	100 %

BLACKWATER PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	148,180	73,941	-	-
Amounts owed by group undertakings	-	-	432,000	360,000
Other debtors	36,098	32,606	-	-
Prepayments and accrued income	129,782	7,100	-	-
	<u>314,060</u>	<u>113,647</u>	<u>432,000</u>	<u>360,000</u>

18. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	1,425,460	738,039
Less: bank overdrafts	(653,416)	(60,624)
	<u>772,044</u>	<u>677,415</u>

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	653,416	60,624	-	-
Bank loans	270,240	2,524,553	-	-
Trade creditors	256,035	98,110	-	-
Corporation tax	251,553	144,153	-	-
Other taxation and social security	103,529	57,977	-	-
Other creditors	1,704,831	2,039,527	432,100	360,100
Accruals and deferred income	245,352	201,104	-	-
	<u>3,484,956</u>	<u>5,126,048</u>	<u>432,100</u>	<u>360,100</u>

**BLACKWATER PARTNERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**20. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Bank loans	<b>2,867,036</b>	1,634,692
	<b><u>2,867,036</u></b>	<u>1,634,692</u>

**21. Loans**

Security on bank borrowings have been provided by way of charge against the Group's freehold properties and a cross guarantee between the Company and its subsidiaries.

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
<b>Amounts falling due within one year</b>		
Bank loans	<b>270,240</b>	2,524,553
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>492,020</b>	161,727
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>2,375,016</b>	1,472,965
	<b><u>3,137,276</u></b>	<u>4,159,245</u>

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**BLACKWATER PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**22. Share capital**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted, called up and fully paid</b>		
200 (2019 - 200) Ordinary shares of £1.00 each	<u><b>200</b></u>	<u><i>200</i></u>
There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.		

**23. Reserves****Other reserves**

The other reserves represent a merger reserve and is a non-distributable reserve created by the merger of a previous acquisition.

**Profit and loss account**

The Profit and loss account consists of distributable reserves arising from cumulative historical profits and losses less any distributions made.

**24. Contingent liabilities**

The Company has entered into a cross guarantee debenture with its subsidiaries in respect of bank borrowings. The potential liability at the balance sheet date is £3,137,276 (2019 - £4,159,245).

**25. Pension commitments**

The Group makes contributions to the personal pension plans of certain employees. The pension cost charge represents contributions payable by the Group and amounted to £78,799 (2019 - £61,085). Contributions totaling £13,281 (2019 - £15,257) were payable to the fund at the balance sheet date and are included in other creditors.

**26. Commitments under operating leases**

At 31 March 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020</b>	<i>Group 2019</i>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>42,600</b>	<i>42,600</i>
Later than 1 year and not later than 5 years	<b>170,400</b>	<i>170,400</i>
Later than 5 years	<b>213,000</b>	<i>255,600</i>
	<u><b>426,000</b></u>	<u><i>468,600</i></u>

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## BLACKWATER PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 27. Related party transactions

The Group has taken advantage of the exemption, under FRS 102 paragraph 1.12 and paragraph 33.1A, from disclosing transactions with key management and from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Included within other creditors as at the year end are balances owed to JK Player and Mrs JM Player of £544,133 (2019 - £682,350) and £549,103 (2019 - £687,319) respectively. The amounts are unsecured and interest free.

#### 28. Post balance sheet events

Like all UK businesses, the Company and the Group have been affected by the COVID-19 pandemic, which began to affect the UK in early 2020, following the Company's financial year end. The directors quickly took steps to mitigate any adverse effects of the pandemic on the finances of the Company and the Group. The director continues to carefully monitor the situation, both in terms of the direct impact and on the wider economy as a whole.

Subsequent to the year end, the Group acquired a freehold property for consideration of £600,000.



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