Just Childcare Holdings Limited

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

Company number 09287055

Contents

COMPANY INFORMATION

Directors	MCG Iacono JJC Lemmens SJ Rhodes RH Smith EME Carroll Partou UK Bidco Limited
Company Secretary	RH Smith
Registered number	*09287055*
Registered office	Ridgway House Progress Way Denton Manchester M34 2GP
Independent auditor	Grant Thornton UK LLP Chartered Accountants and Statutory Auditors St Peter's Square 1 Oxford Street Manchester M1 4PB

STRATEGIC REPORT
For the year ended 31 December 2022

Business activities
The Group's principal activity continues to be the operation of private day nurseries and the provision of high-quality childcare. The Company acts as a holding company.

Business review
The Group's objective is to be a leading provider of high-quality childcare and to build clusters of nurseries in areas with strong demographic characteristics and demand. The Group has established clusters in the North West, Yorkshire and the South West supported by a central function located in Manchester. As at the year-end the Group was operating 64 nurseries providing 4,912 childcare places.

The Group's results for the year ended 31 December 2022 are summarised below:

Turnover was £37.6m (2021: £36.7m) and the operating loss for the year before exceptional items was £1.1m (2021: £4.2m profit), £1.1m after exceptional income (2021: £21.9m profit). EBITDA (earnings before interest, tax, depreciation and amortisation) for the year was £3.6m (2021: £8.7m).

The Group delivers high quality childcare by implementing a framework of common policies, procedures and core values across nurseries and all acquisitions. Every single thing we do is geared towards supporting the children in our care and achieving our mission: to nurture, inspire and have fun every day.

A number of key performance indicators are used to identify and measure the Group's performance with the main focus being on turnover, occupancy and site profitability. All nurseries are subject to continuous quality management and audit in order to monitor performance and maintain standards and quality across the portfolio.

The company operates a nursery management system across the group to improve and control quality monitoring, planning and financial information.

The future plan is to continue to grow the number of childcare places by both improving current capacities and by further acquisitions. The expansion and maintenance of high-quality care is supported by a central team based at the Group Central Services Office in Greater Manchester.

During the year the Group acquired the entire share capital of 1 company comprising 1 nursery as disclosed in note 27 Business Combinations taking the total number of nurseries in the group to 62.

Statement by the directors on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

Directors are briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent advisor.

The Board confirms that, during the year, it has had regard to the matters set out above. Further details as to how the Directors have fulfilled their duties, together with references to relevant areas within these financial statements are set out below.

Risk Management

As we continue to grow, it is vital that we effectively identify, evaluate, manage and mitigate the risks we face. For details of our principal risks and uncertainties, and how we manage our risk environment, please see pages 5 to 7 of the Strategic Report. The Board is also aware that an understanding of the future prospects of the Company is of vital importance to all stakeholders.

Employee Involvement

During the year, the policy of providing employees with information about the company has been continued through internal media and social media methods. Regular updates have been held with local Management and have been cascaded through their teams where appropriate.

Equality

Just Childcare is committed to equality of opportunity for all current and prospective associates regardless of age, disability, race, religion or belief, sexual orientation, pregnancy and maternity, marriage and civil partnership and gender reassignment. We are an equal opportunity employer and support a culture of diversity and inclusion. The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions with any support needed and to provide training and career development and promotion to disabled employees wherever appropriate.

Business Relationships

The company endeavours to forge strong relationships with suppliers built on honesty, fairness, and mutual respect. We meet with key suppliers on a regular basis and take reasonable steps to ensure our suppliers comply with our standards, such as those relating to environmental responsibility, modern slavery, data protection, human rights, and ethics. We also aim to act responsibly in our engagement with regulators and insurers, we respond quickly and fully to any queries.

Community and environment
The company's approach is to use its position of strength to create positive change for the people and communities with which we interact, giving back wherever it can. We want to leverage our expertise and enable our people to support the communities around us. We recognise our responsibilities to achieve good environmental practice and to continue to strive for improvement in areas of environmental impact. We are committed to energy efficiency improvement and continue to take steps in a continuous improvement strategy.

Culture and Values
The Board recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals in the right way, so we look after the best interests of our employees, customers and other stakeholders. We are committed to the provision of high-quality childcare in the UK. We have carefully developed corporate values which are embedded within the day-to-day interactions of the Group.

Streamlined Energy & Carbon Reporting (SECR)
The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Just Childcare Holdings Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st December 2022.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas and business travel in company-owned vehicles and grey fleet. The table below details the regulated SECR energy and GHG emission sources from the current and previous reporting periods.

			FY22	FY21	% Change
Energy (kWh)					
		Natural gas	3,380,546	4,262,180	-20.7%
		Company vehicles	244,043	101,640	140.1%
		Electricity	1,159,470	1,166,080	-0.6%
		Grey fleet	59,372	65,011	-8.7%
		Total energy	**4,843,430**	**5,594,911**	**-13.4%**
Emissions (tCO_2e)					
	Scope 1	Natural gas	617.1	780.7	-21.0%
	Scope 1	Company vehicles	60.4	24.9	142.6%
	Scope 2	Electricity	224.2	247.6	-9.5%
	Scope 3	Grey fleet	14.4	16.0	-10.0%
		Total SECR emissions	**916.1**	**1,069.2**	**-14.3%**
Emission intensity ratio					
Emissions intensity (tCO_2e / £m turnover)			**24.4**	**29.0**	**-16.1%**

The Group is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. We have instigated a programme aimed at installing smart metering across our portfolio and continued to work on this throughout the year. We have installed more energy efficient lighting in Just Childcare Limited's refurbished nurseries, and potential energy efficient appliances where applicable. We have also focused on training our members of staff on energy awareness and pro-active management of our systems and operations. Guides are provided to members of staff to promote awareness and better practices to drive reductions in the company's consumption.

Overall, absolute emissions and emissions intensity have decreased compared to previous reporting period. This is a demonstration of our commitment to reducing energy consumption throughout our operations.

Methodology
Electricity and natural gas disclosures have been calculated using the appropriate emissions factors published by BEIS in 2022 and consumption data from invoices where possible for the majority of sites. Where invoiced data was unavailable for a period of time, daily average consumption from the invoiced period was derived and used to calculate consumption in any missing periods. In cases where no invoice was available, consumption from 2021 was used as representative period. For newer sites where no data was available, an estimation of consumption based on floor area was used, with the benchmark data being derived from other nurseries in the portfolio.

Transport disclosures have been calculated using business mileage expense claim records. Vehicle information such as engine size and type were held for the company vehicles and grey fleet which allowed the appropriate emission factor to be used for these claims. Mileages have been converted into equivalent energy and GHG emissions using the appropriate emissions factors published by BEIS in 2022.

Principal risks and uncertainties
The business is subject to a number of risks that are managed by the implementation of standardised policies and procedures and a central Finance function. Compliance is monitored closely by a central operations support team and use of external consultants to ensure the delivery of high-quality childcare.

Regulatory
The key external risk is associated with changes in regulations such as OFSTED and government policy which are managed through internal systems and controls and by the expertise provided by professional and experienced staff within the Group.

Financial risk management
The Group uses various financial instruments. These include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Market risk
Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance price risk and currency risk have been ignored as they are not considered a material risk to the business. The Group is not exposed to translation and transaction foreign exchange risk.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. All of the Group's borrowings are disclosed in notes 17 and 18.

Credit risk
Credit risk in the Group is managed by requiring the majority of parents to pay their childcare fees monthly in advance. This ensures that the Group has excess liquidity and enables payment of suppliers and other financial commitments when due.

Staff risk/Employment risk
Staff shortages remained an issue within the nursery sector in 2022. In April 2022 the Group introduced a package of measures aimed at staff recruitment and retention.

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

Rick Smith

R H Smith
Director
20 December 2023

DIRECTORS' REPORT
For the year ended 31 December 2022

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Directors
The Directors who served during the year and up to the date of this report are as follows:

DW Johnson	*(resigned 30 September 2022)*
JA Johnson	*(resigned 11 October 2022)*
MCG Iacono	
JJC Lemmens	
Partou UK Bidco Limited	
RHM Visser	*(resigned 27 June 2022)*
EME Carroll	
RH Smith	
SJ Rhodes	*(appointed 17 October 2022)*

Qualifying third party indemnity provisions were in force for the benefit of its Directors throughout the period and remain so at the date of this report.

Employees
The Group places considerable value on the involvement of its employees and informs them, through ad hoc updates, on matters affecting them as employees and on the various factors affecting the performance of the Group.

The Group's policy is to provide equality of employment opportunity, through training and career development. Full and fair consideration is given to applications for employment from disabled persons and the continuing employment of employees who become disabled persons whilst employed within the Group.

Results and dividends
The loss for the year after taxation amounted to £4.0m (2021: Profit £10.3m). No dividends were paid or proposed in either the current or prior year.

Going concern
The Group has net liabilities of £18.4m after amounts owed to the parent group of £48.4m (2021: £49.7m). The Group has positive cashflow from operations and can meet all day-to-day obligations.

The Directors have prepared a forecast for a period in excess of twelve months from the date of signing the financial statements and have obtained assurance from their parent company that they will not seek repayment of the intercompany debt during the twelve months following approval of these financial statements. Accordingly, the Directors have concluded, that the Group has adequate resources to continue in operational existence for at least twelve months from approval of these financial statements and therefore they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the notes to the financial statements.

Charitable and political donations
The Group made charitable donations in the year of £nil (2021: £50). The Group did not make any political donations.

Future developments
The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the coming year.

Statement of Directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

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

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor
The auditor, Grant Thornton UK LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by order of the board and signed its behalf by

Rick Smith

R H Smith
20 December 2023

Independent auditor's report to the members of Just Childcare Holdings Limited

Opinion

We have audited the financial statements of Just Childcare Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the consolidated statement of comprehensive income, the statements of financial position, the statements of changes in equity, the consolidated cashflow statement and notes to the financial statements, 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 the parent company's affairs as at 31 December 2022 and of the group's loss and the parent company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 and the parent 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from such as the impact of the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 group's and

the parent 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the 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.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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 directors' 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 statement of directors' responsibilities, set out on page 9, 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 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 directors either intend to liquidate the group or the parent 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.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and Companies Act 2006.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

    - Assessing the design and implementation of controls management has in place to prevent and detect fraud;

    - Challenging assumptions and judgments made by management in its significant accounting estimates;

    - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;

    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and

- The engagement team's discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of fraud in revenue recognition.
- In assessing the potential risk of material misstatement, we obtained an understanding of the group and parent company's operations, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in material misstatement, and the company's control environment, including the adequacy of procedures for the authorisation of transactions.
- 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. This description forms part of our auditor's report.

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.

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
20 December 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Turnover	3	**37,566**	36,741
Cost of sales		**(23,895)**	(20,967)
Gross profit		**13,671**	15,774
Administrative expenses		**(14,769)**	(11,651)
Other operating income	4	**-**	39
Exceptional items	5	**-**	17,690
Operating (loss)/profit	6	**(1,098)**	21,852
Adjusted EBITDA		**3,563**	8,738
Amortisation	12	**(4,010)**	(3,769)
Depreciation	13	**(651)**	(807)
Exceptional costs	5	**-**	(663)
Exceptional income	5	**-**	18,353
		(1,098)	21,852
Interest and finance costs	9	**(3,611)**	(7,533)
(Loss)/profit before tax		**(4,709)**	14,319
Tax on (loss)/profit	11	**727**	(4,007)
(Loss)/profit for the year		**(3,982)**	10,312
Total comprehensive income for the year		**(3,982)**	10,312

The results for the year arose from continuing operations.

There were no recognised gains and losses for 2022 or 2021 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 19 to 39 form part of these financial statements.

Just Childcare Holdings Limited

STATEMENTS OF FINANCIAL POSITION
JUST CHILDCARE HOLDINGS LIMITED REGISTERED NUMBER 09287055
As at 31 December 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**£ 000**	£ 000	**£ 000**	£ 000
Fixed assets					
Intangible assets	12	**22,792**	25,887	**-**	-
Tangible assets	13	**8,851**	8,359	**-**	-
Investments	14	**-**	-	**58**	58
		31,643	34,246	**58**	58
Current assets					
Debtors	15	**3,197**	1,947	**38,124**	35,545
Cash at bank and in hand		**1,932**	4,968	**-**	-
		5,129	6,915	**38,124**	35,545
Creditors: amounts falling due within one year	16	**(6,712)**	(5,771)	**-**	(2)
Net current (liabilities)/assets		**(1,583)**	1,144	**38,124**	35,543
Total assets less current liabilities		**30,060**	35,390	**38,182**	35,601
Creditors: amounts falling due after more than one year	17	**(48,473)**	(49,764)	**(37,938)**	(35,358)
Provisions for other liabilities	19	**-**	(57)	**-**	-
Net (liabilities)/assets		**(18,413)**	**(14,431)**	**244**	243
Capital and reserves					
Called up share capital	21	**181**	181	**181**	181
Share premium	22	**19**	19	**19**	19
Retained earnings	22	**(18,614)**	(14,632)	**43**	42
Capital Redemption Reserve		**1**	1	**1**	1
Shareholder's funds		**(18,413)**	(14,431)	**244**	243

As provided by section 408 of the Companies Act 2006, the Company has not presented its own **statement of comprehensive income. The Company's profit for the year was £1,000 (2021: £14,000).**

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023. They were signed on its behalf by:

Rick Smith
R H Smith
Director
20 December 2023

The notes on pages 19 to 39 form part of these financial statements.

Just Childcare Holdings Limited

STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2022

CONSOLIDATED	**Share *capital***	**Share *premium***	**Capital redemption *reserve***	**Profit and loss *reserves***	**Total shareholder's *funds***
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**
At 1 January 2021	182	19	-	(24,944)	**(24,743)**
Profit and total comprehensive income for the year	-	-	-	10,312	**10,312**
Share redemption scheme	(1)	-	1	-	-
At 31 December 2021	181	19	1	(14,632)	(14,431)
At 1 January 2022	**181**	**19**	**1**	**(14,632)**	**(14,431)**
Profit and total comprehensive income for the year	-	-	-	(3,982)	**(3,982)**
At 31 December 2022	**181**	**19**	**1**	**(18,614)**	**(18,413)**

COMPANY	**Share capital**	**Share premium**	**Capital redemption reserve**	**Profit and loss reserves**	**Total shareholder's funds**
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**
At 1 January 2021	182	19	-	28	**229**
Profit and total comprehensive income for the year	-	-	-	14	**14**
Share redemption scheme	(1)	-	1	-	-
At 31 December 2021	181	19	1	42	243
At 1 January 2022	181	19	1	42	243
Profit and total comprehensive income for the year	-	-	-	1	1
At 31 December 2022	**181**	**19**	**1**	**43**	**244**

The notes on pages 19 to 39 form part of these financial statements.

CONSOLIDATED CASHFLOW STATEMENT

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
(Loss)/profit for the year		**(3,982)**	10,312
Amortisation of intangible fixed assets	12	**4,010**	3,769
Depreciation of tangible fixed assets	13	**651**	807
Profit on sale of fixed assets		**(19)**	(18,275)
Interest payable and similar charges		**3,611**	7,533
Taxation		**(727)**	4,007
Increase/(decrease) in trade and other creditors		**364**	(1,328)
(Increase)/decrease in trade and other debtors		**(284)**	(591)
Corporation tax paid		**(949)**	(4,916)
Net cash generated from operating activities		**2,675**	1,318
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**61**	31,882
Acquisition of subsidiaries net of cash acquired	27	**(899)**	(6,834)
Purchase of intangible fixed assets	12	**(30)**	(70)
Purchase of tangible fixed assets	13	**(1,167)**	(645)
Net cash used in investing activities		**(2,035)**	24,333
Cash flows from financing activities			
Interest paid		**(4,992)**	(5,217)
Loans from group undertakings		**1,500**	77,360
Repayment of loans from group undertakings		**(184)**	(27,596)
Repayment of bank loans and loan notes		**-**	(72,647)
Net cash used in financing activities		**(3,676)**	(28,100)
Net decrease in cash at bank		**(3,036)**	(2,449)
Cash at bank at the beginning of year		**4,968**	7,417
Net decrease in cash at bank		**(3,036)**	(2,449)
Cash at bank at the end of year		**1,932**	4,968

The notes on pages 19 to 39 form part of these financial statements.

Notes to the financial statements

1 Principal accounting policies

1.1 General information

Just Childcare Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. Its registered address is Ridgway House, Progress Way, Denton, Manchester, M34 2GP.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £'000.

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 Company's accounting policies (see note 2).

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 Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

1.3 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed 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 Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their provisional fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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 1 January 2014. Therefore, the Group continues to recognise a capital reserve which arose on a past business combination that was accounted for as an acquisition in accordance with UK GAAP as applied at that time.

Notes to the financial statements

1.4 Going concern

The Group has net liabilities of £19.7m after amounts owed to the parent group of £48.4m (2021: £49.7m). The Group has positive cashflow from operations and can meet all day-to-day obligations.

The Directors have prepared detailed cashflow forecasts and projections covering a period more than twelve months from approval of these financial statements. These show that the Group will generate sufficient cashflow from operations to meet all anticipated day-to-day obligations without additional borrowings. The Directors have received confirmation from the parent group that they will not seek repayment of intercompany debt for at least 12 months from the date of approval of these financial statements.

Taking these factors into account, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from approval of these financial statements and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

1.5 Revenue

Revenue represents amounts chargeable in respect of the provision of pre-school education. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises of childcare provided to customers during the period and is recognised in the month the childcare is provided. Revenue is received from customers' paying fees and from Local Authorities for the provision of Early Years Funding. Early Years Funding received is in relation to childcare provided to all children in the term after they turn three years old until they begin school and for qualifying two-year-olds.

1.6 Other operating income

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. Furlough income, which is a grant awarded by the government, is recognised in income in the periods in which the company recognises the related costs for which the grant is intended to compensate.

Notes to the financial statements

1 Principal accounting policies (continued)

1.7 Intangible assets and amortisation

Goodwill

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

Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

Other intangibles

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.

Intangible assets are amortised from the date they are available in use. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets as follows:

- Software - 5 years straight line

1.8 Tangible fixed assets and depreciation

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight-line basis. Land is not depreciated

Depreciation is provided on the following basis:

- Land and buildings - 10 - 50 years
- Fixtures and fittings - 3 – 5 years
- Motor vehicles - 4 years

Notes to the financial statements

1 Principal accounting policies (continued)

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 within administration expense in the consolidated statement of comprehensive income.

1.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.10 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.

1.11 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.

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.

1.12 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.

Notes to the financial statements

1 Principal accounting policies (continued)

1.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 comprehensive income.

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.

Notes to the financial statements

1 Principal accounting policies (continued)

1.14 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income 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.

1.15 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

1.16 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 the consolidated statement of comprehensive income 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.

1.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.18 Operating leases: lessees

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Notes to the financial statements

1 Principal accounting policies (continued)

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a change 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.

1.20 Exceptional costs

Exceptional items are transactions that fall within the ordinary activities of the Group but are excluded from the Group's adjusted EBITDA due to their size and/or one-off nature.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements in conformity with general accepted accounting policies requires the directors to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those 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.

In this regard, the directors believe that the critical accounting policies where judgments or estimates are necessarily applied are summarised below:

Determine whether there are indications of impairment of the Group's tangible and intangible assets.

Factors included in the assessment include the economic viability and future financial performance of the asset.

Determine whether there are indicators of impairment of the Group's fixed assets investments

Tangible assets are depreciated over their useful economic lives taking into account expected residual values where appropriate. The actual lives and residual values are assessed annually and may vary depending on a number of factors

Determine the fair value of the assets acquired under business combinations

At the completion of each acquisition an assessment is carried out into the fair value of the assets acquired to assess whether the book value of those assets acquired reflect the fair value. Any adjustments are taken to Goodwill.

Just Childcare Holdings Limited

3 Turnover

Turnover derives entirely from provision of childcare and ancillary services and all arose with the United Kingdom.

Group	2022	2021
	£ 000	£ 000
Continuing activities	**37,494**	35,060
Acquisitions	**72**	1,681
	37,566	36,741

4 Other operating income

Group	2022	2021
	£ 000	£ 000
Coronavirus Job Retention Scheme grants	-	39
	-	39

5 Exceptional items

Group	2022	2021
	£ 000	£ 000
Costs associated with sale of group	-	(531)
Covid-19 costs	-	(132)
Other exceptional costs	-	-
Profit on disposal of fixed assets	-	-
Gain on sale and leaseback of properties	-	18,353
	-	17,690

Exceptional items are those one-off items not incurred in the normal course of business.

6 Operating profit

Group

Operating profit is stated after charging

	2022	2021
	£ 000	£ 000
Depreciation of tangible fixed assets	**651**	807
Amortisation of intangible fixed assets	**4,010**	3,769
Operating lease rentals	**3,101**	1,625

The operating profit is split as follows:

	2022	2021
	£ 000	£ 000
Continuing activities	**(1,088)**	21,601
Acquisitions	**(10)**	251
	(1,098)	21,852

7 Employees

Group

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2022	2021
	number	number
Nursery	**1,319**	1,264
Administration	**48**	42
Directors	**5**	4
	1,372	1,310

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£ 000	£ 000
Wages and salaries	**20,700**	19,097
Social security costs	**1,414**	1,182
Pension contributions	**450**	371
	22,564	20,650

Company

The Company had no employees during 2022 or 2021.

Key Management Personnel

Key management personnel are defined as the directors and the senior management team of the Group.

The total emoluments of Key Management Personnel (salaries, wages, benefits in kind, pension costs and employers' national insurance) were £924,000 in relation to 5 full time equivalent employees (2021: £689,000 in relation to 4 employees).

8 Directors' remuneration

Group

	2022	2021
	£ 000	£ 000
Directors' remuneration	**751**	334
Pension contributions	**44**	9
	795	343

The highest paid director received remuneration of £287,000 (2021: £183,000) including pension contributions of nil (2021: nil).

Contributions were made to a defined contribution pension scheme in respect of 4 directors (2021: 3).

Just Childcare Holdings Limited

9 Interest and finance costs

	2022	2010
	£ 000	£ 000
Bank interest and charges	-	2,608
Interest payable to related undertaking	3,611	2,607
Write off of capitalised loan costs	-	2,318
Loan interest payable	-	-
	3,611	7,533

10 Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15	10

Fees payable to the Company's auditor and its associates in respect of:

	2022	2021
Statutory audit of subsidiary undertakings	92	75
iXBRL tagging	9	12
Taxation advisory services	21	44
Taxation compliance services	91	48
	213	179

11 Taxation

	2022	2021
	£ 000	£ 000
Corporation tax		
Current tax on (loss)/profit for the year	154	4,107
Adjustments in respect of previous periods	(767)	(8)
Total current tax	(613)	4,099
Deferred tax		
Origination and reversal of timing differences	(211)	(234)
Adjustments in respect of previous periods	95	73
Effects of change in rate	-	69
	(114)	(92)
Total income tax charge	(727)	4,007

The actual tax charge differs from the standard UK corporation tax rate of 19% (2021: 19%). The difference comprises:

	2022	2021
	£ 000	£ 000
(Loss)/profit before tax	**(4,709)**	14,319
Expected tax charge based standard rate of corporation tax in the UK of 19% (2020: 19%)	**(895)**	2,721
Effects of:		
Expenses not deductible	**585**	1,325
Timing differences on fixed assets	**816**	253
Effect of chargeable gains	**-**	(505)
Adjustments in respect of prior years	**111**	65
Deferred tax not provided	**-**	880
Effect of changes in tax rate	**(15)**	(732)
Other differences	**125**	-
Total credit for the year	**727**	4,007

The rate of corporation tax will be 25% from April 2023 and provision for deferred tax has been made at this rate.

12 Intangible assets and goodwill

Group	**Goodwill**	**Software**	**Total**
Cost	£ 000	£ 000	£ 000
At 1 January 2022	40,529	358	**40,887**
Additions – business combination	886	-	**886**
Additions – Other	70	30	**100**
Disposals - other	(72)	(19)	**(91)**
At 31 December 2022	**41,413**	**369**	**41,782**
Accumulated depreciation			
At 1 January 2022	14,704	296	**15,000**
Charge for year	3,974	36	**4,010**
Disposal of asset		(20)	**(20)**
At 31 December 2022	**18,678**	**312**	**18,990**
Net book value			
At 31 December 2022	**22,735**	**57**	**22,792**
At 31 December 2021	25,825	62	25,887

13 Tangible fixed assets

Group	**Land and buildings**	**Fixtures fittings and equipment**	**Motor vehicles**	**Total**
Cost	£ 000	£ 000	£ 000	£ 000
At 1 January 2022	9,357	2,697	504	**12,558**
Additions	826	291	48	**1,165**
Acquired businesses	-	32	-	**32**
Disposals	(22)	-	(111)	**(133)**
At 31 December 2022	**10,161**	**3,020**	**441**	**13,622**
Accumulated depreciation				
At 1 January 2022	1,509	2,300	390	**4,199**
Charge for year	355	236	60	**651**
Disposals	12	(11)	(80)	**(79)**
At 31 December 2022	***1,876***	***2,525***	***370***	***4,771***
Net book value				
At 31 December 2022	**8,285**	**495**	**71**	**8,851**
At 31 December 2021	7,848	397	114	8,359

14 Fixed Asset Investments

Company	**Investments £000**
Cost	
At 1 January and 31 December 2022	**58**
Provisions	
At 1 January and 31 December 2022	-
Net book value	
At 31 December 2021 and 31 December 2022	**58**

Just Childcare Holdings Limited

Subsidiary undertaking	Company Number	Principal Activity	Country of Incorporation	Class of Shares Held	Holding
Project Play Midco 1 Limited[α]	09288532	Holding company	UK	Ordinary	100%
Project Play Midco 2 Limited*[α]	09288794	Holding company	UK	Ordinary	100%
Just Childcare Consultancy Services Ltd*[α]	09290862	Holding company	UK	Ordinary	100%
Just Childcare Limited*	05095704	Nursery Services	UK	Ordinary	100%
Kids Corner Nursery & Pre-School Limited*[α]	06595847	Dormant	UK	Ordinary	100%
Giggles of Lytham (Day Nursery) Limited*[α]	05220598	Dormant	UK	Ordinary	100%
Park Wood Day Nurseries Limited*[α]	04696973	Dormant	UK	Ordinary	100%
Chicken Run Limited "Big Picture"*[α]	04002909	Dormant	UK	Ordinary	100%
Cherubs Day Nursery (Sale) Limited*[α]	04075321	Dormant	UK	Ordinary	100%
Marjorie Monk Limited "The Hollies"*[α]	04092269	Dormant	UK	Ordinary	100%
Acorns in Adel Limited*[α]	06238673	Dormant	UK	Ordinary	100%
Lytham Academy FC Limited*[α]	04429204	Dormant	UK	Ordinary	100%
FCCC Holdings Limited*[α]	08120081	Holding company	UK	Ordinary	100%
First Class Child Care Limited*[α]	03416526	Nursery Services	UK	Ordinary	100%
Cherubs Holdings Limited*[α]	07032466	Holding company	UK	Ordinary	100%
Woodlands Park Day Nursery Limited*[α]	08672801	Dormant	UK	Ordinary	100%
Little Manor Day Nursery Limited*[α]	04678858	Dormant	UK	Ordinary	100%
Ladybirds Private Day Nursery Limited*[α]	05092465	Dormant	UK	Ordinary	100%
Brambley Hedge Nursery Limited*[α]	04612916	Dormant	UK	Ordinary	100%
Buttons and Bows Limited*[α]	04641498	Dormant	UK	Ordinary	100%
Playdays Daycare Nursery Ltd*[α]	04857256	Nursery Services	UK	Ordinary	100%
Abbeywood Tots Day Nursery Ltd*[α]	05084037	Nursery Services	UK	Ordinary	100%
Magellan Holdings Limited*[α]	06018197	Holding company	UK	Ordinary	100%
Primley Park Children's Nurseries Limited*[α]	03770128	Nursery Services	UK	Ordinary	100%
100 Acre Wood Limited*[α]	05233748	Nursery Services	UK	Ordinary	100%
Little Acorns (South West) Limited*[α]	05770486	Nursery Services	UK	Ordinary	100%
Kiddy Factory Limited*[α]	02971911	Nursery Services	UK	Ordinary	100%
Kiddy Factory Rentals Limited*[α]	09100234	Property Rental	UK	Ordinary	100%
Funcare Limited*[α]	05203165	Nursery Services	UK	Ordinary	100%
Small World Day Nursery Limited*[α]	10030976	Dormant	UK	Ordinary	100%
JWDW Limited*[α]	07697888	Dormant	UK	Ordinary	100%
Wirral Nurseries Limited*[α]	04429137	Nursery Services	UK	Ordinary	100%
Safehands Day Nursery Limited*[α]	04771770	Nursery Services	UK	Ordinary	100%
The Village Day Nursery Limited*[α]	03932581	Nursery Services	UK	Ordinary	100%
Pebbles Nursery Limited*[α]	07623183	Nursery Services	UK	Ordinary	100%
Cetrolinear Limited*[α]	08887905	Holding Company	UK	Ordinary	100%
The Chestnuts Day Nursery Limited*[α]	04504842	Nursery Services	UK	Ordinary	100%
The Chestnuts Nursery Limited*[α]	06823364	Nursery Services	UK	Ordinary	100%
Chestnuts Quedgeley Limited*[α]	10886658	Nursery Services	UK	Ordinary	100%
Footprints (Atherton) Limited*[α]	07409283	Nursery Services	UK	Ordinary	100%

*indirectly held subsidiary undertaking

α *These subsidiary undertakings have applied the exemption from audit under section 479A of the* Companies Act 2006. As such Just Childcare Holdings Limited, the parent undertaking, guarantees all outstanding liabilities to which the companies are subject at the end of the financial period, until they are satisfied in full, and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies are liable in respect of those liabilities.

The aggregate of the share capital and reserves as at 31 December 2022 and of the profit and loss for the year end on that date for the material subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £'000	Profit/ (loss) £'000
Project Play Midco 1 Limited	(17,238)	(2,575)
Project Play Midco 2 Limited	58	-
Just Childcare Consultancy Limited	(3,221)	-
Just Childcare Limited	(4,472)	(2,095)
Kids Corner Nursery & Pre-School Limited	278	-
Giggles of Lytham (Day Nursery) Limited	53	-
Park Wood Day Nurseries Limited	70	-
Chicken Run Limited	660	-
Cherubs Day Nursery (Sale) Limited	48	-
Marjorie Monk Limited	10	-
Acorns in Adel Limited	103	-
Lytham Academy FC Limited	-	-
FCCC Holdings Limited	3,153	-
First Class Childcare Limited	2,962	237
Cherubs Holdings Limited	(195)	-
Woodlands Park Day Nursery Limited	256	-
Little Manor Limited	-	-
Ladybirds Private Day Nursery Limited	(21)	-
Brambley Hedge Nursery Limited	231	-
Buttons and Bows Limited	(23)	-
Playdays Daycare Nursery Ltd	742	217
Abbeywood Tots Day Nursery Ltd	4,237	873
Magellan Holdings Limited	77	-
Primley Park Children's Nurseries Limited	3,264	518
100 Acre Wood Limited	908	347
Little Acorns (South West) Limited	4,753	1,113
Kiddy Factory Limited	168	(18)
Kiddy Factory Rentals Limited	302	44
Funcare Limited	1,299	165
Small World Day Nursery Limited	338	-
JWDW Limited	1,319	-
Wirral Nurseries Limited	1,247	31
Safehands Day Nursery Limited	1,678	52
The Village Day Nursery Limited	246	(21)
Pebbles Nursery Limited	291	(59)
Cetrolinear Limited	123	-
The Chestnuts Day Nursery Limited	1,025	80
The Chestnuts Nursery Limited	572	60
Chestnuts Quedgeley Limited	542	119
Footprints (Atherton) Limited β	170	10

β For the year ended 31 October 2022

15 Debtors – amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£ 000	£ 000	**£ 000**	£ 000
Trade debtors	**200**	746	-	-
Other debtors	**103**	40	-	-
Prepayments and accrued income	**1,086**	966	-	-
Corporation tax	**1,756**	195	**1**	-
Deferred taxation (see note 19)	**52**	-	-	-
Amounts owed by group undertakings	**-**	-	**38,123**	35,545
	3,197	1,947	**38,124**	35,545

Amounts owed by Group undertakings are repayable on demand. These amounts are unsecured and earn interest at 7.5%, payable upon repayment of the loan.

16 Creditors – amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£ 000	£ 000	**£ 000**	£ 000
Trade creditors	**923**	796	-	-
Other creditors	**2,129**	2,256	-	-
Accruals and deferred income	**3,318**	2,452	-	-
Tax and social security	**342**	267	-	-
Corporation tax	**-**	-	-	2
	6,712	5,771	-	2

Amounts owed to group undertakings are owed to members of the parent group. They are unsecured and carry interest at 7.5%, payable each quarter. The entire amount is repayable on 2 June 2028 or may be repaid earlier at the Company's option.

17 Creditors – amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£ 000	£ 000	**£ 000**	£ 000
Amounts falling due between one and five years				
Bank loans	-	-	-	-
	-	-	-	-
Amounts falling due after more than five years				
Amounts owed to Group Undertakings	**48,473**	49,764	**37,938**	**35,358**
Bank loans	-	-	-	-
Loan notes	-	-	-	-
	48,473	**49,764**	**37,938**	**35,358**

18 Analysis of changes in net debt

	Cash and cash equivalents £ 000	Borrowings £ 000
At 1 January 2022	4,968	49,764
Cashflows	(3,123)	(2,692)
Acquisition of subsidiaries	87	(986)
Non-cash movements	-	(3,611)
At 31 December 2022	**1,932**	49,697

19 Deferred tax

	£ 000
At beginning of year	57
Deferred tax credit in the profit and loss account	(114)
Other movement	5
At end of year	**(52)**

The (asset)/provision for deferred tax comprises:

	2022 £ 000	2021 £ 000
Short term timing differences	**(25)**	-
Accelerated capital allowances	**391**	57
Chargeable gains	-	-
Tax losses	**(418)**	-
	(52)	57

20 Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and are detailed at note 7. Contributions totalling £99,075 (2021: £84,437) were payable to the fund at the reporting date and were included in Other creditors.

21 Share capital

	2022	2021	**2022**	2021
	number	number	**£**	£
Issued and fully paid				
Ordinary shares of £0.01	**18,051,940**	18,051,940	**180,518**	180,518
	18,051,940	18,051,940	**180,518**	180,518

22 Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Share capital

Represents the nominal value of shares that have been issued.

Share premium

Represents the value above par paid for the shares that have been issued.

23 Financial instruments

	2022	2021
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	**2,234**	5,754
Financial liabilities		
Financial liabilities measured at amortised cost	**54,842**	55,268

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, finance leases, other creditors, accruals and deferred income, bank loans and unsecured loan notes.

24 Lease commitments

The Group had total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022	2021
Payments due	£ 000	£ 000
Within one year	3,036	2,964
Later than one year and not later than five years	10,355	10,914
Later than five years	50,432	51,099
	63,823	64,977

Rent payable on 23 of the Group's leases increases annually by the movement in the Retail Prices Index (RPI), subject to a minimum increase of 1% and a maximum of 4%. From 2030 onwards, the increase is RPI + 0.83%.

The Company has no capital or other commitments at 31 December 2022 (2021: nil)

25 Other financial commitments

There were no other financial commitments as at 31 December 2022 or 31 December 2021.

26 Related parties

Borrowings

	Year ended 31 December 2022			Year ended 31 December 2021		
	Loan notes held	Interest earned	Interest paid	Loan notes held	Interest earned	Interest paid
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Phoenix	-	-	-	-	1,138	13,416
Key management personnel	-	-	-	-	222	2,598
	-	-	-	-	1,360	16,014

The Company was formerly controlled by Phoenix Equity Partners 2010 LP and Phoenix Equity Partners 2010 GP LP (together "Phoenix") who also held loan notes directly or through associated entities. As set out in note 17, these loan notes and all accrued interest were repaid in full on 2 June 2021.

Other transactions

On 11 May 2021, The Company purchased 100,000 C shares from DW Johnson for consideration of £1. The shares were subsequently cancelled.

Two properties owned by DW Johnson's pension fund are leased to the Group on arms length terms.

The company has taken advantage of the exemption provided by Section 33 of FRS 102 'related party disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is a wholly owned member of that group

27 Business combinations

The Group increased its presence in key regions with the acquisition of the entire share capital of

Footprints (Atherton) Limited ("Footprints") *acquired 31 October 2022*

Consideration was paid in cash. Save for amounts due on agreement of completion accounts, consideration was paid in full on acquisition. Amounts paid and the recognised amounts of identifiable assets acquired and liabilities assumed were:

	Footprints	**Total**
	£ 000	**£ 000**
Consideration		
Cash consideration	940	**937**
Fees and expenses	46	**46**
Total consideration	986	**986**
Cash balances acquired	(87)	**(87)**
Net cash outflow	899	**899**
Net assets acquired		
Intangible fixed assets	70	**70**
Tangible fixed assets	32	**32**
Trade and other receivables	28	**28**
Cash	87	**87**
Trade and other payables	(29)	**(29)**
Total identifiable net assets	187	**187**
Goodwill	886	**886**

The goodwill arising on acquisition is attributable to the acquired customer base and economies of scale resulting in combining operations into the wider group. Management estimates the useful life of the goodwill to be 10 years.

The acquired businesses contributed £70k of revenue and a loss of £10k in the year to 31 December 2022.

28 Post Balance Sheet Events

On 14 July 2023 the Group acquired the entire share capital of Little Darlings Day Nursery Limited for an initial consideration of £800,000.

29 Controlling party

The immediate parent company is Partou UK Bidco Limited, Ridgeway House, Progress Way, Manchester M34 2GP. Registered number 13360032.

The smallest and largest company to consolidate these financial statements and the ultimate controlling party is Delphine Topholding B.V. registered in Amsterdam, The Netherlands. The registered address of Delphine Topholding B.V. is Sportlaan 1. 4131NN Vianen, The Netherlands. Registered number 86231227.

The consolidated financial statements of these groups are available to the public and may be obtained from Ridgway House, Progress Way, Denton, Manchester, M34 2GP.