

Company Registration No. 04275793 (England and Wales)

CHILDScope EARLY YEARS EDUCATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

COMPANY INFORMATION

Directors	C Lawson L Hopper	(Appointed 17 July 2020)
Company number	04275793	
Registered office	C/O Kiddi Caru Tuscany House (1st Floor) White Hart Lane Basingstoke RG21 4AF	
Auditor	Azets Audit Services Unit N Ivanhoe Business Park Ashby de la Zouch Leicestershire LE65 2AB	

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

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CHILDSCOPE EARLY YEARS EDUCATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

The company has the rights to a property from which its immediate parent company operates from. The loss before tax is £21,000 compared to £24,000 in the prior year.

Principal risks and uncertainties

The pandemic outbreak of COVID-19 in 2020 has had a significant impact on industry in the UK and abroad.

The effect of the pandemic on the company's immediate parent undertaking was to close all nurseries for 2 months and following re-opening slow the return of children to the nurseries, resulting in lower occupancy levels than forecast. However, the company's immediate parent undertaking has utilised the Government Job Retention Scheme and successfully managed its way through this challenging period with sensible cost control measures and is now seeing child occupancy levels returning towards pre-Coronavirus targets.

In addition the immediate parent undertaking's business faces regulatory risk from Ofsted inspections that take place at each site every few years. A poor inspection result can temporarily compromise fee income and profitability at a single site, resulting in a negative impact on the business' overall performance. Other risks facing the business include competition from new entrants and difficulty recruiting experienced staff in some areas.

On behalf of the board

C Lawson

Director

24 December 2020

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company was previously that of pre-primary education, the company now has the rights to a property in which its immediate parent company operates from.

Directors

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

C Lawson

A Moore

L Hopper

(Resigned 17 July 2020)

(Appointed 17 July 2020)

Results and dividends

The results for the year are set out on page 7.

Post reporting date events

The outbreak of the COVID-19 pandemic has led to the UK Government imposing travel and trade restrictions including social distancing measures. The directors have considered the risk to the company's activities and its income streams and made further disclosures concerning the impact of the pandemic in note 16 to the financial statements.

The directors have considered available cash resources over the next 12 months and they feel that the company is in a position to meet its liabilities as and when they fall due for a period of at least 12 months from the signing of these accounts.

Further information concerning the risks and uncertainties facing the company following the pandemic can be found in the Strategic Report.

Auditor

On 7 September 2020 Group Audit Service Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

C Lawson

Director

24 December 2020

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHILDSCOPE EARLY YEARS EDUCATION LIMITED

Opinion

We have audited the financial statements of Childscope Early Years Education Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors are 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDSCOPE EARLY YEARS EDUCATION LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDSCOPE EARLY YEARS EDUCATION LIMITED

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.

Miss Lisa Emery (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

24 December 2020

Unit N
Ivanhoe Business Park
Ashby de la Zouch
Leicestershire
LE65 2AB

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000s	2018 £'000s
Administrative expenses		(4)	(13)
Other operating income		2	2
		<u> </u>	<u> </u>
Operating loss	3	(2)	(11)
Interest payable and similar expenses	5	(19)	(13)
		<u> </u>	<u> </u>
Loss before taxation		(21)	(24)
Tax on loss	6	4	(7)
		<u> </u>	<u> </u>
Loss for the financial year		<u> </u>	<u> </u>

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

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £'000s	2018 £'000s
Loss for the year	(17)	(31)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(17)</u>	<u>(31)</u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019	2018
	Notes	£'000s	£'000s
Fixed assets			
Tangible assets	7	638	643
Current assets			
Debtors	8	609	605
Creditors: amounts falling due within one year	9	(420)	(397)
Net current assets		189	208
Total assets less current liabilities		827	851
Creditors: amounts falling due after more than one year	10	(904)	(912)
Provisions for liabilities	12	(7)	(6)
Net liabilities		(84)	(67)
Capital and reserves			
Profit and loss reserves	15	(84)	(67)

The financial statements were approved by the board of directors and authorised for issue on 24 December 2020 and are signed on its behalf by:

C Lawson
Director

Company Registration No. 04275793

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 DECEMBER 2019**

	Revaluation reserve	Profit and loss reserves	Total
	£'000s	£'000s	£'000s
Balance at 1 January 2018	369	(36)	333
Period ended 31 December 2018:			
Loss and total comprehensive income for the period	-	(31)	(31)
Other movements	(369)	-	(369)
	<u>-</u>	<u>(67)</u>	<u>(67)</u>
Balance at 31 December 2018	-	(67)	(67)
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(17)	(17)
	<u>-</u>	<u>(84)</u>	<u>(84)</u>
Balance at 31 December 2019	<u>-</u>	<u>(84)</u>	<u>(84)</u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019		2018	
	Notes	£'000s	£'000s	£'000s	£'000s
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		19		(302)
Interest paid			(19)		(13)
Income taxes refunded/(paid)			6		(1)
			<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities			6		(316)
Investing activities					
Purchase of tangible fixed assets		-		(646)	
Proceeds on disposal of tangible fixed assets		-		705	
Release of revaluation reserve		-		(369)	
		<u> </u>		<u> </u>	
Net cash used in investing activities			-		(310)
Financing activities					
Finance leases obligations		(6)		626	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(6)		626
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			-		-
			<u> </u>		<u> </u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Childscope Early Years Education Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/O Kiddi Caru, Tuscany House (1st Floor), White Hart Lane, Basingstoke, RG21 4AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000s.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. In particular an intermediate parent undertaking (LPCR Groupe SAS) has indicated that it will continue to provide support to the company to enable it to meet its liabilities as and when they fall due for a period not less than 12 months from the signing of these financial statements.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Over lease term
Plant and machinery	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and amounts due from group undertakings, are initially measured at transaction and are subsequently carried at amortised cost using the effective interest method less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group are initially recognised at transaction and are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Business continuity

The directors have considered the impact of COVID-19 on the business which has occurred since the balance sheet date. They believe that the company will have sufficient cash and facilities available to it during the period of restrictions imposed by the UK Government and until the industry returns to business as usual. The Directors will access government support as needed and believe that this government support as well as other commercial facilities will be readily available if and when required to enable the company to continue to trade as a going concern for at least 12 months from signing these accounts.

3 Operating loss

	2019 £'000s	2018 £'000s
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	-	1
Depreciation of tangible fixed assets held under finance leases	4	4
(Profit)/loss on disposal of tangible fixed assets	-	8
	<u> </u>	<u> </u>

4 Employees

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

	2019 Number	2018 Number
Management	2	2
	<u> </u>	<u> </u>

5 Interest payable and similar expenses

	2019 £'000s	2018 £'000s
Other finance costs:		
Interest on finance leases and hire purchase contracts	19	13
	<u> </u>	<u> </u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Taxation

	2019	2018
	£'000s	£'000s
Current tax		
UK corporation tax on profits for the current period	(5)	1
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	1	(1)
Adjustment in respect of prior periods	-	7
	<u> </u>	<u> </u>
Total deferred tax	1	6
	<u> </u>	<u> </u>
Total tax (credit)/charge	(4)	7
	<u> </u>	<u> </u>

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

	2019	2018
	£'000s	£'000s
Loss before taxation	(21)	(24)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(4)	(5)
Gains not taxable	-	5
Deferred tax adjustments in respect of prior years	-	1
Other	-	6
	<u> </u>	<u> </u>
Taxation (credit)/charge for the year	(4)	7
	<u> </u>	<u> </u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Tangible fixed assets

	Land and buildings Leasehold £'000s
Cost	
At 1 January 2019	646
Other changes	(1)
	<hr/>
At 31 December 2019	645
	<hr/>
Depreciation and impairment	
At 1 January 2019	3
Depreciation charged in the year	4
	<hr/>
At 31 December 2019	7
	<hr/>
Carrying amount	
At 31 December 2019	638
	<hr/>
At 31 December 2018	643
	<hr/>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £'000s	2018 £'000s
Leasehold land and buildings	638	643
	<hr/>	<hr/>

8 Debtors

	2019 £'000s	2018 £'000s
Amounts falling due within one year:		
Amounts owed by group undertakings	609	605
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	2019 £'000s	2018 £'000s
Amounts owed to group undertakings	418	395
Accruals and deferred income	2	2
	<hr/>	<hr/>
	420	397
	<hr/>	<hr/>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Creditors: amounts falling due after more than one year

	Notes	2019 £'000s	2018 £'000s
Obligations under finance leases	11	620	626
Deferred income	14	284	286
		<u>904</u>	<u>912</u>

11 Finance lease obligations

	2019 £'000s	2018 £'000s
Future minimum lease payments due under finance leases:		
Within one year	19	19
In two to five years	76	76
In over five years	2,735	2,757
	<u>2,830</u>	<u>2,852</u>
Less: future finance charges	(2,210)	(2,226)
	<u>620</u>	<u>626</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 150 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Grandir UK Limited has provided a guarantee in relation to amounts due in relation to these finance leases.

12 Provisions for liabilities

	Notes	2019 £'000s	2018 £'000s
Deferred tax liabilities	13	<u>7</u>	<u>6</u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Deferred taxation

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

	Liabilities 2019 £'000s	Liabilities 2018 £'000s
Balances:		
Accelerated capital allowances	7	-
Tax losses	-	6
	<u>7</u>	<u>6</u>
	<u><u>7</u></u>	<u><u>6</u></u>
Movements in the year:		2019 £'000s
Liability at 1 January 2019		6
Charge to profit or loss		1
		<u>7</u>
Liability at 31 December 2019		<u><u>7</u></u>

14 Deferred income

	2019 £'000s	2018 £'000s
Other deferred income	284	286
	<u>284</u>	<u>286</u>

15 Profit and loss reserves

	2019 £'000s	2018 £'000s
At the beginning of the year	(67)	(36)
Loss for the year	(17)	(31)
	<u>(84)</u>	<u>(67)</u>
At the end of the year	<u><u>(84)</u></u>	<u><u>(67)</u></u>

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Events after the reporting date

Since the year end, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. The Company has been able to continue to operate throughout this period of disruption within certain parameters, notwithstanding measures taken based upon Government advice to contain the spread of the virus, including travel bans, quarantines, and social distancing.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact.

The directors do not feel that there has been any detrimental material financial effect as a result of the measures being taken in response to the outbreak, although they continue to assess the effect on the company given the uncertainties surrounding the longevity of the pandemic.

17 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019 £'000s	2018 £'000s
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	418	395
	==	==

The following amounts were outstanding at the reporting end date:

	2019 £'000s	2018 £'000s
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	605	605
Other related parties	4	-
	==	==

18 Ultimate controlling party

The immediate parent undertaking is Magic Nurseries A Ltd and the ultimate parent undertaking is Grandir SAS, a company registered in France. The ultimate controlling party is Jean Emmanuel Rodocanachi by reference to his majority shareholding in Grandir SAS.

The smallest group in which Childscope Early Years Education Ltd is consolidated is Grandir UK Ltd, the largest group is Grandir SAS, a company registered in France.

CHILDSCOPE EARLY YEARS EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 Cash generated from/(absorbed by) operations

	2019	2018
	£'000s	£'000s
Loss for the year after tax	(17)	(31)
Adjustments for:		
Taxation (credited)/charged	(4)	7
Finance costs	19	13
(Gain)/loss on disposal of tangible fixed assets	-	8
Depreciation and impairment of tangible fixed assets	4	4
Movements in working capital:		
Increase in debtors	(4)	(605)
Increase in creditors	23	16
(Decrease)/increase in deferred income	(2)	286
Cash generated from/(absorbed by) operations	19	(302)

20 Analysis of changes in net debt

	1 January 2019	Cash flows	31 December 2019
	£'000s	£'000s	£'000s
Obligations under finance leases	(626)	6	(620)

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