

Company Registration No. 08738822

Eagle Holdco Limited

Annual report and financial statements

For the year ended 31 December 2018

Eagle Holdco Limited

Annual report and financial statements For the year ended 31 December 2018

Contents	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	9
Statement of retained earnings	9
Balance sheet	10
Notes to the financial statements	11

Eagle Holdco Limited

Strategic report

The directors present a strategic report for the year ended 31 December 2018.

Activities

The company's principal activity is that of an intermediate holding company. The company is part of the Busy Bees group of companies ('the group').

Business review and future developments

The loss for the financial year was £26,640,000 (2017: loss of £23,702,000). Shareholder's deficit was £82,944,000 at 31 December 2018 (2017: deficit of £56,304,000). It is expected that the company will continue to act as an investment holding company for the foreseeable future.

A further RCF facility of £66.0m was drawn down to fund the acquisitions within the group in August 2019 and then on 11 September 2019 the group completed a refinance exercise where the existing term loan (TLB3) was increased by a further £100.0m to £611.5m. The additional loan will be used to repay the amount drawn down on the RCF facility (£66.0m) and to fund future acquisitions.

The company has not identified particular key performance indicators due to its nature, being an intermediate holding company.

Principal risks and uncertainties

The company considers its key risks to be around the value of its investments and any potential impairment of investments, along with the recoverability of its intercompany debt. For the risks of the group please refer to the financial statements of Eagle Superco Limited.

Credit risks

The company's principal assets are investments in subsidiary companies. The company also has receivables that primarily relate to other group companies. Any impairment arising on these is recognised based on comparisons to net assets and solvency / liquidity of these undertakings.

Liquidity Risks

The company's funding requirements are under constant review. All funding is carried out through Eagle Midco Limited or other UK group related companies, either on a short-term loan basis or through the cash pooling arrangement.

Going concern

In preparation of the financial statements, the directors have made an assessment of the company's ability to continue as a going concern.

The company is reliant on the support of its parent company, Eagle Superco Limited, to be able to meet its liabilities as they fall due. However, the directors considers that the company is an integral part of Eagle Superco Limited structure and strategy, which is evidenced by a letter of support from Eagle Superco Limited, which states its intent to provide necessary financial support to ensure that the company is a going concern for at least twelve months from the date of approval of these financial statements. After making enquiries and taking account of the factors noted above including considering the ability of Eagle Superco Limited to provide that support, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

Approved by the Board of Directors and signed on behalf of the Board:



J C Douin

Director

24 September 2019

St Matthews
Shaftsbury Drive
Burntwood
Staffordshire
WS7 9QP

Eagle Holdco Limited

Directors' report

The directors present an annual report and the audited financial statements for the year ended 31 December 2018. Details of the directors' assessment of developments, going concern and principal risks are set out in the strategic report.

Proposed dividend

The directors can not recommend payment of a final dividend (2017: £nil).

Post balance sheet events

As at the date of signing these accounts, there have been no post balance sheet events.

Directors

The directors who held office during the year and subsequently were as follows:

J C Douin
R H Shiu

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

Political contributions

During the year, there were no political donations (2017: £nil).

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 auditor is aware of that information.

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

Approved by the Board of Directors and signed on behalf of the Board



J C Douin
Director
24 September 2019

St Matthews
Shaftsbury Drive
Burntwood
Staffordshire
WS7 9QP

Eagle Holdco Limited

Directors' responsibilities statement

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), 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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. 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.

Independent auditor's report to the members of Eagle Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Eagle Holdco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of income and retained earnings;
- the balance sheet; and
- the related notes 1 to 18.

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the valuation and recoverability of investment balances.
Materiality	The materiality that we used in the current year was £3.17m which was determined on the basis of 2% of the value of investments.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team covering 100% of net liability and 99% of loss before tax.
Significant changes in our approach	There were no significant changes in our approach compared to the prior year.

Independent auditor's report to the members of Eagle Holdco Limited (continued)

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There have been no changes in the key audit matter from the prior year.

Valuation and recoverability of investment balances

<p>Key audit matter description</p>	<p>We have assessed the valuation and recoverability of the investment balance as a key audit matter. At 31 December 2018, the company held investments of £158.8m (2017: £157.5m), which represents 74.8% (2017: 76.9%) of total assets for the company. This includes rolled-up interest which accrues annually.</p> <p>There is judgement involved in determining the recoverability of this amount based on the financial position and future prospects of the underlying group undertakings to which it relates. This takes into consideration a range of factors, including the expected trading performance of the group undertakings based on forecast growth as set out in forecasts prepared by management.</p> <p>Further details on the key judgements involved are included within the strategic report on page 1, critical accounting estimates and judgements note in note 3, and in note 9 to the financial statements.</p>
<p>How the scope of our audit responded to the key audit matter</p>	<p>We assessed whether there was any indication that the investment is impaired by assessing the seven impairment indicators per FRS 102 Section 27.9.</p> <p>We challenged the directors' judgements regarding the carrying value of the investment balance by reviewing the forecast trading for each of the significant components.</p>

Independent auditor's report to the members of Eagle Holdco Limited (continued)

Key observations Based on the work performed we concluded that the investment balance was appropriately recognised.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£3.17m (2017: £1.5m)
Basis for determining materiality	<p>Based on our assessment and understanding of the company, we have determined that 2% of investments is an appropriate basis for this entity. During previous year, 1% of the investment balance was used as the benchmark balance.</p> <p>As the nature of business is to hold investments in subsidiaries, using a percentage of 2% was considered to be an appropriate level on which to determine materiality.</p>
Rationale for the benchmark applied	<p>We determined materiality based on the investments balance as of year end as this is the key metric used by management and investors. As a group holding company, the investment balance represents the primary asset held in this regard and is therefore a key measure of activity for this company.</p>

We agreed with those charged with governance that we would report to Management all audit differences in excess of £158.5k (2017: £72.5k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Management on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Independent auditor's report to the members of Eagle Holdco Limited (continued)

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.

We have nothing to report in respect of these matters.

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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Eagle Holdco Limited (continued)

Report on other legal and regulatory requirements

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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

Directors' remuneration.

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

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.



Andrew Halls, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
24 September 2019

Eagle Holdco Limited

Profit and loss account For the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Administrative expenses		(8)	(6)
Operating loss	4	(8)	(6)
Interest receivable and similar income	6	7,166	3,948
Interest payable and similar expenses	7	(32,695)	(27,619)
Loss before taxation		(25,537)	(23,677)
Tax on loss	8	(1,103)	(25)
Loss for the financial year		(26,640)	(23,702)

All amounts relate to continuing activities. There are no items of other comprehensive income in either year other than those reflected in the profit and loss account. Accordingly, no separate statement of other comprehensive income is presented.

Statement of income and retained earnings For the year ended 31 December 2018

	2018 £'000	2017 £'000
Retained earnings at the beginning of the year	(56,399)	(32,697)
Loss for the financial year	(26,640)	(23,702)
Retained earnings at the end of the year	(83,039)	(56,399)

The notes on pages 11 to 21 form part of these financial statements.

Eagle Holdco Limited

Balance sheet As at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	9	158,827	157,516
Current assets			
Debtors	10	53,508	47,296
Creditors: amounts falling due within one year	11	(1,468)	-
Net current assets		52,040	47,296
Total assets less current liabilities		210,867	204,812
Creditors: amounts falling due in more than one year	12	(293,811)	(261,116)
Net liabilities		(82,944)	(56,304)
Capital and reserves			
Called-up share capital	15	95	95
Profit and loss account		(83,039)	(56,399)
Total shareholder's deficit		(82,944)	(56,304)

These financial statements of Eagle Holdco Limited (registered number 08738822) were approved by the board of directors and authorised for issue on 24 September 2019. They were signed on its behalf by:



J C Douin
Director

The notes on pages 11 to 21 form part of these financial statements.

Eagle Holdco Limited

Notes to the financial statements For the year ended 31 December 2018

1. Basis of preparation

Eagle Holdco Limited (the company) is a company incorporated in England, United Kingdom under the Companies Act 2006.

The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1.

These financial statements have been prepared under the historical cost basis of accounting and in accordance with Financial Reporting Standard 102 (FRS 102) and with the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 102 and advantage has been taken of certain of the disclosure exemptions set out in paragraph 1.12 of that standard. Accordingly the following disclosures have not been made in these financial statements:

- financial instruments;
- a cash flow statement as otherwise required by section 7 of FRS 102; and
- key management personnel compensation as otherwise required by paragraph 33.7 of FRS 102.

Group accounts

The company's results are included in the consolidated accounts of Eagle Superco Limited, a company registered in England, United Kingdom. Accordingly the company has taken advantage of the exemption given in s400 of the Companies Act 2006 from preparing and delivering group accounts. The financial statements therefore contain information about the company as an individual undertaking and not about its group.

Functional currency

The functional currency is pounds sterling as that is the currency of the economic environment in which the company operates.

2. Accounting policies

Going concern

In preparation of the financial statements, the directors have made an assessment of the company's ability to continue as a going concern.

The company is reliant on the support of its parent company, Eagle Superco Limited, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of Eagle Superco Limited structure and strategy, which is evidenced by a letter of support from Eagle Superco Limited, which states its intent to provide necessary financial support to ensure that the company is a going concern for at least twelve months from the date of approval of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less provision for any impairment losses.

Eagle Holdco Limited

Notes to the financial statements *(continued)* For the year ended 31 December 2018

2. Accounting policies *(continued)*

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Eagle Holdco Limited

Notes to the financial statements *(continued)* For the year ended 31 December 2018

2. Accounting policies *(continued)*

Financial instruments *(continued)*

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Operating loss

Operating loss is defined as the loss for the period after all operating costs and income but before interest receivable and similar income, interest payable and similar charges and taxation. Operating loss is disclosed as a separate line on the face of the profit and loss account.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Related party transactions

The company is exempt from the requirements of section 33 of FRS 102 to disclose transactions with other wholly-owned group undertakings as its financial statements are included in the consolidated financial statements of a parent company whose financial statements are publically available.

Eagle Holdco Limited

Notes to the financial statements *(continued)* For the year ended 31 December 2018

2. Accounting policies *(continued)*

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment carried at deemed cost is provided based on the difference between the accounts and tax base costs.

Deferred tax assets and liabilities are offset only if the company has a legally enforceable right to set off current tax assets against current tax liabilities.

3. Accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from the sources, for example, in relation to the impairment of investments. 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 if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The key estimate is around the valuation and impairment of investments. The indicators of impairment, such as loss making entities, reduction in asset values or changes in economic environment, are assessed on an annual basis and an impairment review would be performed if necessary, to review the value of investments. There was no impairment charge made in 2018 (2017: £nil).

Management have not identified any key estimates in 2018 or 2017.

4. Operating loss before tax

The fees payable to the company's auditor for the audit of the company's annual financial statements of £2,000 (2017: £1,000) and fees payable to the company's auditor and their associates for other services to the company of £nil (2017: £nil) were borne by another group company.

Eagle Holdco Limited

Notes to the Financial Statements *(continued)* For the year ended 31 December 2018

5. Directors' remuneration

	2018 No.	2017 No.
Number of directors	<u>2</u>	<u>2</u>

The directors did not receive any emoluments for their services during the year (2017: £nil). The directors are of the opinion that their qualifying services are immaterial to this entity.

6. Interest receivable and similar income

	2018 £'000	2017 £'000
Loan note interest	1,311	1,166
Interest due from group undertaking	<u>5,855</u>	<u>2,782</u>
	<u>7,166</u>	<u>3,948</u>

7. Interest payable and similar expenses

	2018 £'000	2017 £'000
Loan note interest	<u>32,695</u>	<u>27,619</u>

8. Tax on loss

	2018 £'000	2017 £'000
Current tax (see note below)		
Current tax on profit for the year	<u>1,016</u>	<u>-</u>
Total current tax charge	<u>1,016</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	97	(6)
Effect of change in rate of corporation tax	(10)	1
Adjustment in respect of previous periods	<u>-</u>	<u>30</u>
Total deferred tax (see note 14)	<u>87</u>	<u>25</u>
Tax charge on loss	<u>1,103</u>	<u>25</u>

Eagle Holdco Limited

Notes to the Financial Statements (*continued*) For the year ended 31 December 2018

8. Tax on loss (*continued*)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2018 £'000	2017 £'000
Loss before tax	(25,537)	(23,677)
Tax credit on loss at standard UK corporation tax rate of 19.00% (2017: 19.25%)	(4,852)	(4,557)
Effect of:		
-Amounts not taxable for tax purposes	4,546	3,592
-Tax rate charges	(10)	1
-Movement in deferred tax not provided	1,419	-
-Group relief surrendered for £nil consideration	-	959
-Adjustments to tax charge in respect of previous periods	-	30
Total tax charge for the year	1,103	25

Factors that may affect future tax charges

The standard rate of tax applied to reported profit is 19.00% (2017: 19.25%). The government has announced that the UK corporation tax will reduce to 18% by 1 April 2020. Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2016 and a further reduction to 17% (effective 1 April 2020) was substantively enacted in September 2016. These reductions will further reduce the company's current tax charge.

The deferred tax balances at 31 December 2018 and 31 December 2017 have been calculated based on the rates that were substantively enacted at the balance sheet dates that will apply when the timing differences are expected to reverse. Accordingly, a rate of 17% has been used as at 31 December 2018 and 17% as at 31 December 2017.

9. Investments

	2018 £'000	2017 £'000
Cost and net book value in subsidiary company		
As at 31 December 2017	157,516	156,156
Additions - Rolled up loan note interest	1,311	1,360
As at 31 December 2018	158,827	157,516

Eagle Holdco Limited

Notes to the Financial Statements *(continued)* For the year ended 31 December 2018

9. Investments (continued)

The additions relate to the interest rolled up on the loan notes of £1,311,000 – see note 12 (2017: £1,360,000).

A full listing of subsidiary companies is provided below. Unless otherwise indicated, the below subsidiaries are held indirectly.

Company	Country of registration	Nature of business	Proportion of issued ordinary share capital held by holding company
Eagle Midco Limited (*)	England and Wales	Management services/ holding company	100%
Eagle Bidco Limited	England and Wales	Management services/ holding company	100%
Eagle Target Limited	England and Wales	Management services/ holding company	100%
Eagle Target 2 Limited	England and Wales	Management services/ holding company	100%
Eagle Target 3 Limited	England and Wales	Management services/ holding company	100%
Eagle Target 4 Limited	England and Wales	Management services/ holding company	100%
Eagle Target 5 Limited	England and Wales	Management services/ holding company	100%
Busy Bees Holdings Limited	England and Wales	Management services/ holding company	100%
Busy Bees Nurseries Limited	England and Wales	Childcare services	100%
Busy Bees Day Nurseries Limited	England and Wales	Childcare services	100%
Busy Bees Day Nurseries (Trading) Limited	England and Wales	Childcare services	100%
Busy Bees Education and Training Limited	England and Wales	Childcare training	100%
Just Learning Limited	England and Wales	Childcare services	100%
Nu Nu Limited	England and Wales	Dormant	100%
Busy Bees Nurseries (Scotland) Limited	Scotland	Childcare services	100%
Gatford Limited	Scotland	Childcare services	100%
Learning Just Limited	England and Wales	Childcare services	100%
Careshare Holdings Limited	Scotland	Childcare services	100%
Just Learning Malling Limited	England and Wales	Childcare services	100%
Kids First Day Nurseries Limited	England and Wales	Childcare services	100%
Positive Steps Childrens Day Nurseries Limited	England and Wales	Childcare services	100%
Early Years Child Care Limited	England and Wales	Dormant	100%
Early Years Childcare (SouthEast) Limited	England and Wales	Dormant	100%
Paintkey Limited	England and Wales	Management services/ holding company	100%
Kinder Nurseries Limited	England and Wales	Childcare services	100%
Lilliput (Brompton) Limited	England and Wales	Dormant	100%
Lilliput Childcare Services Limited	England and Wales	Dormant	100%
Q Day Nurseries Limited	England and Wales	Dormant	100%
Rosevale Holdings Limited	England and Wales	Management services/ holding company	100%
Caring Daycare Limited	England and Wales	Childcare services	100%
Major Minors Limited	England and Wales	Childcare services	100%

Eagle Holdco Limited

Notes to the Financial Statements *(continued)* For the year ended 31 December 2018

9. Investments (continued)

Company	Country of registration	Nature of business	Proportion of issued ordinary share capital held by holding company
Bush Babies Childrens Nurseries (Holdings) Limited	England and Wales	Management services/ holding company	100%
Bush Babies Childrens Nurseries Limited	England and Wales	Childcare services	100%
Oak Tree Nursery Investments Limited	England and Wales	Management services/ holding company	100%
Cashew Holdings Limited	England and Wales	Management services/ holding company	100%
Forest Nursery Investments Limited	England and Wales	Management services/ holding company	100%
Treetops Nurseries Limited	England and Wales	Childcare services	100%
HCL Acquisitions Limited	England and Wales	Management services/ holding company	100%
HCL Finance Limited	England and Wales	Management services/ holding company	100%
Happy Child Limited	England and Wales	Childcare services	100%
Happy Child (Mottingham) Limited	England and Wales	Childcare services	100%
Happy Child (Southwalk) Limited	England and Wales	Childcare services	100%
Playtime Nursery Limited	England and Wales	Childcare services	100%
The Green Umbrella Day Nursery Limited	England and Wales	Childcare services	100%
CR Childcare Limited	England and Wales	Childcare services	100%
Kindercare (Harrogate) Limited	England and Wales	Childcare services	100%
Queen of Hearts Nursery School Limited	England and Wales	Childcare services	100%
Treetops Nurseries (London) Limited	England and Wales	Childcare services	100%
Treetops Gloucestershire Limited	England and Wales	Childcare services	100%
Toybox Day Nurseries Limited	England and Wales	Childcare services	100%
Treetops Belper Limited	England and Wales	Childcare services	100%
Treetops Clipstone Limited	England and Wales	Childcare services	100%
Treetops Cheam Limited	England and Wales	Childcare services	100%
Treetops Epsom Limited	England and Wales	Childcare services	100%
Treetops Teddington Limited	England and Wales	Childcare services	100%
Treetops Sutton Limited	England and Wales	Childcare services	100%
The Edinburgh Nursery Limited	Scotland	Childcare services	100%
Claremont Childcare Limited	Scotland	Childcare services	100%
Toybox Great Denham Limited	England and Wales	Childcare services	100%
Toybox Properties Limited	England and Wales	Leasing company	100%
Eagle Leasing Limited	England and Wales	Leasing company	100%
Mace Montessori Schools Limited	England and Wales	Childcare services	100%
Green Gables Primary School Limited	England and Wales	Childcare services	100%
Green Gables Montessori School Limited	England and Wales	Childcare services	100%
Daisy and Jake Day Nursery Limited	England and Wales	Childcare services	100%
Eden Homes (Wirral) Limited	England and Wales	Property company	100%
Droitwich Spa Nursery and Kindergarten Limited	England and Wales	Childcare services	100%

Eagle Holdco Limited

Notes to the Financial Statements *(continued)* For the year ended 31 December 2018

9. Investments (continued)

Company	Country of registration	Nature of business	Proportion of issued ordinary share capital held by holding company
Kids Multiverse Limited	England and Wales	Management services/holding company	100%
Little Learners Pre-School (UK) Limited	England and Wales	Childcare services	100%
Busy Bees Holdings Pte. Ltd.	Singapore	Management services/holding company	100%
Busy Bees Asia Pte. Ltd.	Singapore	Childcare services	100%
Busy Bees Singapore Pte. Ltd.	Singapore	Childcare services	100%
Odyssey The Global Preschool Pte. Ltd.	Singapore	Childcare services	100%
Learning Vision @ Work Pte. Ltd.	Singapore	Childcare services	100%
Brighton Montessori Centres Pte. Ltd.	Singapore	Childcare services	100%
Pats Schoolhouse Pte. Ltd.	Singapore	Childcare services	100%
Learning Horizon Pte. Ltd.	Singapore	Childcare services	100%
Asian International College Pte. Ltd.	Singapore	Childcare services	100%
Global Educare Sdn Bhd	Malaysia	Childcare services	100%
Tadika Peter & Jane Sdn Bhd	Malaysia	Holding company	100%
Children's Studio Sdn Bhd	Malaysia	Childcare services	100%
Peter & Jane Franchise Sdn Bhd	Malaysia	Childcare services	100%
Busy Bees Canada Holdings Limited	Canada	Management services/holding company	100%
BrightPath Early Learning Inc	Canada	Childcare services	100%
BrightPath Kids Corp.	Canada	Childcare services	100%
EPG Realty Inc.	Canada	Childcare services	100%
ABC Academy Inc.	Canada	Childcare services	100%
Busy Bees Australia Holding PTY Ltd	Australia	Management services/holding company	100%
Busy Bees Australia Bidco PTY Ltd	Australia	Management services/holding company	100%
Foundation Early Learning Ltd	Australia	Childcare services	100%
Total Childcare Solutions Australia Ltd	Australia	Childcare services	100%
FEL Child Care Centres 1 Pty Ltd	Australia	Childcare services	100%
FEL Child Care Centres 2 Pty Ltd	Australia	Childcare services	100%
FEL Child Care Centres 3 Pty Ltd	Australia	Childcare services	100%
FEL Child Care Centres 4 Pty Ltd	Australia	Childcare services	100%
Caerus Childcare Pty Ltd	Australia	Childcare services	100%
FEL Child Care Developments Pty Ltd	Australia	Childcare services	100%

*Held directly.

Unless otherwise indicated, the above subsidiaries are held indirectly.

The registered office of all entities in England and Wales is Busy Bees At Latchford House Shenstone Business Park, Lynn Lane, Shenstone, Lichfield, Staffordshire, WS14 0SB, United Kingdom.

The registered office of all Scottish entities is 1 Lochside Place, Edinburgh, EH12 9DF, United Kingdom.

The registered office of Lauder Learning Limited is Carnegie College, Halbeath, Dunfermline, KY11 8DY, United Kingdom.

Eagle Holdco Limited

Notes to the Financial Statements *(continued)* For the year ended 31 December 2018

9. Investments (continued)

The registered address of Singapore entities is 15A Changi Business Central 1, #07-01 the Eightrium, Singapore, 486035.

The registered address of Global Educare Snd. Bhd. is Suite 2-4, Level 2, Tower Block, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Malaysia.

The registered address of Busy Bees Canada Holdings Limited and ABC Academy Inc. is 79 Wellington St. W. 30th Floor, TD South Tower, Toronto, ON M5K 1N2.

The registered address of BrightPath Early Learning Inc. and EPG Realty Inc. is 200 Rivercrest Drive, SE, Suite 201, Calgary, AB, T2C 2X5.

The registered address of BrightPath Kids Corp. is 2141627 Ontario Limited, ABC Academy Inc., 199 Bay Street, Suite 5300, Commerce Court West, Toronto, ON M5L1B9.

The registered office of all Australian entities is 34 Station Street, Nundah, QLD 4012. Postal Address. PO Box 63, Nundah QLD 4012.

10. Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	53,433	47,135
Deferred tax (note 14)	75	161
	<u>53,508</u>	<u>47,296</u>

There is no repayment date attached to the amount owed by group undertakings. The interest rate on the loan is 12.5% (2017: 12.5%).

11. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	452	-
Corporation tax	1,016	-
	<u>1,468</u>	<u>-</u>

12. Creditors: amounts falling due in more than one year

	2018 £'000	2017 £'000
Loan notes (note 13)	<u>293,811</u>	<u>261,116</u>

The loan notes have an interest rate of 12.5% which is rolled up annually and are repayable in 2038.

Eagle Holdco Limited

Notes to the Financial Statements *(continued)* For the year ended 31 December 2018

13. Borrowings

Loan notes are repayable as follows:

	2018 £'000	2017 £'000
More than five years (note 12)	293,811	261,116

The loan notes have an interest rate of 12.5% which is rolled up annually and are repayable in 2038.

14. Deferred tax asset

	Deferred taxation £ '000
At 1 January 2018	161
Charged to the profit and loss account for the year (note 8)	(86)
At 31 December 2018	75

The deferred tax asset recognised at 17% (2017: 17%) is as follows:

	2018 £'000	2017 £'000
Non-trading timing differences on loan balances	75	161

15. Called-up share capital

	2018 £	2017 £
Called up, allotted and fully paid		
9,500,000 ordinary shares of £0.01 each	95,000	95,000

16. Commitments

The company had no capital commitments at 31 December 2018 (2017: £nil).

17. Related party transactions

The company has taken the exemption available under FRS102 not to disclose related party transactions with other 100% controlled members of the same group. There were no other related party transactions in the year.

18. Controlling parties

The company's immediate parent undertaking is Eagle Topco Limited. The largest group and smallest group into which the company is consolidated is the group headed by Eagle Superco Limited. Eagle Topco and Eagle Superco Limited are both incorporated in Great Britain and registered at St Mathews, Shaftesbury Drive, Burntwood, Staffordshire, WS7 9QP. The consolidated financial statements of Eagle Superco Limited can be obtained from the company's registered address above. The ultimate parent company is Eagle Superco Limited and the ultimate controlling party is the Ontario Teachers' Pension Plan incorporated in Canada, its registered address is 5650 Yonge Street, Toronto, Ontario, M2M 2H5.