

**Company Registration No. 08738822**

**Eagle Holdco Limited**

**Annual report and financial statements**

**For the year ended 31 December 2021**

# **Eagle Holdco Limited**

## **Annual report and financial statements For the year ended 31 December 2021**

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# Eagle Holdco Limited

## Strategic report

The directors present a strategic report for the year ended 31 December 2021.

### Activities

The company's principal activity is that of an intermediate holding company. The Company is a wholly owned subsidiary of Eagle Superco Limited. Eagle Superco Limited and its subsidiaries, including this Company are collectively referred as the Busy Bees Group of companies ('the Group'). The principal activity of the Group is the provision of day care nursery services.

### Business review and future developments

The loss for the financial year was £35,915,000 (2020: loss of £32,283,000). Shareholder's deficit was £178,629,000 at 31 December 2021 (2020: deficit of £142,714,000). It is expected that the company will continue to act as an investment holding company for the foreseeable future.

The company has not identified particular key performance indicators due to its nature being an intermediate holding company. The value of the company's investments and consequently its ability to settle its liabilities are linked to the performance of the Group.

The Group has demonstrated resilience and the operational and financial performance of the business has been strong during 2021. Average occupancy for the Group in 2021 was 60.9%, c. 6.8% behind 2019 pre-COVID average occupancy, (2020: 47.8%).

In March 2021, the Group successfully refinanced its borrowing facilities under a new Senior Facilities Agreement ("SFA"). New GBP and Euro Term Loan B ("TLB") loans of £365.9m and €257.1m respectively together with £25m of Group cash were used to repay the existing TLB loans of £566.7m and €50m. The new loans have a tenure of seven years and will incur interest at SONIA + a margin and Euribor + a margin, dependent on the Group's leverage ratio as reported by the Group to lenders on a quarterly basis. At June 2022, the Group is incurring interest at SONIA + 4.75% on the GBP loan and Euribor + 3.75% on the Euro loan. The previously existing RCF facility of £75m was also replaced with a new facility of £100m which has a tenure of six and a half years. The RCF facility incurs interest on any amount drawn of SONIA + 4.00%.

In October, the Group acquired Think Childcare Limited in Australia, consisting of 73 centres for £113.1m, (AU\$208.1m). Think Childcare Limited was previously a listed entity and the Group's management team managed this complex acquisition. Also in October, the Group acquired Provincial Education Group in New Zealand for £85.8m, (NZ\$164.0m). This represents the Group's first expansion into New Zealand. The Provincial Education Group is the third largest early childcare education provider in New Zealand representing 75 centres across the North and South Islands of New Zealand. The Group borrowed additional funds of €275.0m under its SFA to fund the acquisitions of Think Childcare Limited and Provincial Education Group. The Company issued loan notes of £25m to help fund these acquisitions and these amounts were subsequently loaned to the Company's subsidiaries to part fund the Think Childcare Limited and Provincial Education Group acquisitions.

In addition, the Group has made further acquisitions in Australia of the Little Peoples Place representing 11 centres for £9.6m, (AU\$17.6m), and a further centre in Tingalpa for £1.4m, (AU\$2.6m).

The Group has also continued to expand its operations in North America acquiring the Kids Country Day School in July for £20.9m, (\$28.7m) and the Children's House was acquired in December for £3.5m (\$4.9m). Together these acquisitions represent an additional 12 centres in Ohio and the surrounding areas and Kentucky.

In Ireland, the Group acquired Park Academy Limited in September representing 8 centres in south Dublin and North Wicklow for £10.3m, (€10.9m). The Group has continued to expand into Italy during the year, acquiring a total of 23 centres through a number of acquisitions, the largest of which was the acquisition of Baby and Job s.r.l in July for £9.0m, (€10.4m), representing 20 centres. The Group's operations in Italy now represent the largest private childcare provider in Italy. In the UK, the Group acquired Oakwood nursery in Glasgow in October for £2.2m.

The ongoing impact of COVID-19 has continued to be seen to a greater or lesser extent across each of the Group's territories. This includes the temporary closure of some centres and the need for both children attending centres and their educators to isolate for a specified period. Occupancy levels remain slightly behind pre COVID-19 levels, albeit some territories have returned, and exceeded pre COVID-19 levels of occupancy on a like for like basis.

Throughout this year, the Board has taken great pride in how the Group's employees have continued to respond to the ongoing challenges faced by COVID-19 and how collectively the Group has been able to continue to support families and children. The COVID-19 pandemic has further highlighted the importance of early years education.

# Eagle Holdco Limited

## Strategic report (continued)

### Business review and future developments (continued)

Governments in the territories we operate have prioritised the importance of the provision of early years education during the COVID-19 pandemic.

During the year the Company made additional investments in subsidiaries.

The additions in loans owed by Group undertakings relate to the interest rolled up on the loan notes of £1,867,000, (2020: £1,678,000) and a reclassification of loan notes in Eagle Midco Limited to an intercompany receivable from Eagle Midco Limited of £2,618,000.

The additions in amounts owed by Group undertakings relate to an increase in intercompany amounts of £25m to help fund acquisitions as described above, interest of £9.5m and the reclassification of loan notes in Eagle Midco Limited to an intercompany receivable from Eagle Midco Limited of £2,618,000 described above.

### Section 172(1) Statement

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company, under section 172.

The Board always aims to act in the best interests of the Company, and to be fair and balanced in its approach. The needs of different stakeholders are always considered as well as the consequences of any decision in the long-term and the importance of our internally published high standards of business conduct. More specific information is given in sub-paragraphs (a) to (f), which correspond to the individual factors disclosed under Section 172(1).

#### a. Long-term decision making

The Board maintains oversight of the Company's performance, and reserves to itself specific matters for approval. In addition to this, any major decisions with long-term implications, including significant new business initiatives, would need shareholder approval under the Company Articles of Association, to ensure that the business decisions taken locally are in alignment with the long-term strategy of the Company. Any decisions approved either locally or by the Shareholders, are then implemented, with subsequent Board oversight to ensure these are in accordance with the agreed strategy.

#### b. Stakeholders: Employees

The Company has no employees, other than the directors

#### c. Stakeholders: Customers, Suppliers, Others

As a holding company, the Company does not trade.

#### d. Stakeholders: Community & Environment

As a holding company, the Company does not undertake community and environmental engagement.

#### e. Reputation for high standards of business conduct

The Board is responsible for developing the corporate culture across the Company, which promotes integrity and transparency. The Company uses the same comprehensive systems of corporate governance and approves policies and procedures which promote corporate responsibility and ethical behaviour, as are implemented within Eagle Topco Limited and its subsidiaries. Central to these policies is the Code of Conduct. This applies to all Directors and is embedded into the Company's operations.

#### f. Acting fairly as between members of the Company

The Board aims to understand the views of its shareholder and always to act in their best interests. In order to do this, the Board works closely with the principal shareholder on a very regular basis to ensure operations, strategy and performance are aligned with the long-term objectives of the shareholders, while complying with the Articles of Association of the Company.

### Statement on Employee Engagement

The Company has no employees, other than the directors.

### Statement on Business Relationships

As a holding company, the Company does not trade.

# Eagle Holdco Limited

## Strategic report (continued)

### 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.

### Principal risks and uncertainties (continued)

#### *Credit risk*

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

#### *Liquidity Risk*

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

The risks detailed below are those that are considered to effect the Group and are deemed relevant to this company and its subsidiaries.

#### *COVID-19 or any future pandemic risk*

The ongoing impact of COVID-19 on the Group has continued to be seen to a greater or lesser extent across each territory, including this entity in the UK. This includes the temporary closure of some centres, the need for both children attending centres and their educators to isolate for a specified period and for reduced occupancy levels.

From a health and safety perspective, the Group continues to follow guidelines in place within each territory to manage this risk for centres and the head office facilities.

The Group has been able to mitigate associated financial risks through the continued careful management of its cost base. The management of costs has continued to be aided by government support for staff costs and some operating costs, in various territories. There is a reputational and financial risk to the Group making incorrect claims and/or for non-compliance with the terms attached to government support. In response to this risk the Group has put in place robust review structures. Internal reviews have been conducted across the Group as well as an independent third-party review in the UK.

The directors believe that while the impact of any future pandemic would also be significant, the Group is well placed to manage this risk and can respond with sufficient speed to manage the cash flows of the business in a way which provides sufficient headroom under the current facilities to continue to operate.

#### *People risk*

The Group has noted an increase in the risk around the recruitment and retention of employees, particularly centre-level qualified employees during the current year and this is currently a principal risk for the Group. This increases the risk of not achieving the desired business performance, growth and quality as the Group may not have enough suitable employees to operate at the desired level and replacement employees may have less experience.

Alongside this, the Group has experienced increased wage and cost pressure due to increasing employee turnover, the increasingly competitive recruitment market and recruitment costs, and has built those into operating plans. The increase in this risk is due in part to macroeconomic factors, including Brexit, reducing the availability of suitably qualified and experienced employees.

In response to these pressures, which were seen to a greater and lesser extent across all of the Group's territories, additional Board reporting has been introduced to allow the Board to monitor the operational and financial impact more closely and take appropriate action as needed. The Group has developed Education and Training capability in the UK and Asia, and is actively seeking to enhance that capability in North America and Australia and New Zealand. This not only allows the Group to offer high quality training to employees, but also to bring through a pipeline of apprentices to meet demand for childcare professionals.

The Group has a number of employee engagement channels which are utilised to monitor sentiment and adjust strategies, and has made an investment in employee remuneration and employee benefits, particularly for centre employees. In addition, the Group has recently appointed a Chief People Officer and is developing a recruitment steering committee with a remit to continue to evaluate the Group's recruitment and retention strategies.

# Eagle Holdco Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

#### *Market risk*

Aside from the key risks facing most businesses, for example those of reputation and competition and market change, the Group considers its key risks to be as follows:

- health and safety for young children, in relation to which the Group has a dedicated compliance team that defines policy and procedure and closely monitors and reports compliance performance
- change of government policy and the implementation of policy at a local level, including free entitlement funding. The Group actively engages in a positive way in many of the territories it operates in, with government at a ministerial, civil service and local level and regularly reviews its compliance with policy and funding requirements. Any changes to the legal and regulatory environment are captured as emerging risks through our risk management process with identified owners and action plans to ensure compliance when the changes come into effect. Our external legal advisers also provide detailed reviews in respect of existing and upcoming legislation that may affect the Group. A failure to comply could lead to unanticipated regulatory penalties or sanctions, as well as damage to our reputation.
- cyber attack/(s) on our IT environment leading to loss of personal data and company information, as well as ongoing disruption to business operations. The Group has formalised disaster recovery plans, ongoing training, data protection controls and review of IT processes as well as stress testing of IT systems
- impact of COVID-19 on the global economy, the group has also conducted an analysis of the potential risks surrounding COVID-19 and the ability of the group to respond to the potential reduction in demand. As noted above, we believe that the group has the ability to mitigate the risks involved and be able to generate sufficient cash flows to continue as a going concern
- The medium to longer term impact of Brexit on the economy. We do not believe there is any short-term direct material risk to either our customer base, our workforce or our supply chain.

#### **Going concern**

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

The Company's business activities, together with the factors likely to affect its future development, performance and position and its exposures to credit risk are set out above.

The company is dependent on the ability of other group companies to settle their obligations to the Company on a timely basis.

On 19 March 2021, the Group completed a refinancing exercise where the existing TLB loans of £566.7m and €50.0m were replaced with new TLB loans of £365.9m and €257.1m. As part of this refinancing, the existing RCF facility of £75m was also replaced with a new facility of £100m. The new TLB loans have a tenure of seven years and the RCF facility expires in six and a half years. The Group also used £25m of cash to repay part of the old loan balances. The new TLB facility is a 'cov-lite' facility meaning there are no leverage covenant tests on the Group's financing other than on the RCF facility if more than 40% of it is drawn. In this scenario, a leverage covenant of Group indebtedness to EBITDA of 9.85 times would apply.

In October 2021, the Group drew down additional funds of €275m under the SFA to fund the acquisition of Think Childcare Limited in Australia and the Provincial Education Group in New Zealand. Funding from this draw down was also used in part to fund the acquisition of Safari House in Singapore in January 2022.

During the year, at various points the Group drew down on its RCF facility. The maximum amount drawn at any one time was £29.0m. The Group generated sufficient cash such that all amounts have been fully repaid during the year and at 31 December 2021, the full £100.0m RCF facility is undrawn but it is noted that £13.5m is held for use for bank guarantees.

The Group has prepared detailed forecasts for the period up to September 2023 which demonstrate that the Group is able to generate sufficient cash flows to operate within its new financing arrangements.

# Eagle Holdco Limited

## Strategic report (continued)

### Going concern (continued)

The Group cannot predict the indirect impact of any potential economic downturn. The ongoing impact of COVID-19 includes the risk of temporary closure of centres, or the need for both children attending centres and their educators to isolate for a specified period. A temporary or prolonged reduction in occupancy will have the most material impact to the Group's cashflows. The current forecast is based on the Group's 2022 operating plan and thereafter the Group's longer-term forecasts. To assess any potential impact on the Group's cashflows and liquidity, various sensitivities have been performed reflecting a reduction in occupancy rates, including occupancy falling up to 20% below the current forecast.

With occupancy falling to 20% below the current forecast, the Group would have liquidity headroom, inclusive of the £100m RCF facility, in excess of £88.6m and would not trigger the leverage test covenant applicable if more than £40m of the RCF is drawn. The forecast demonstrated that the Group is able to operate within its financing arrangements.

The Group has also separately sensitised the Group's cashflows to cost increases, from higher than expected wage inflation or other supply costs over and above those already included within the current forecast. The forecast demonstrated that the Group is able to operate within its financing arrangements.

In the period to June 2022, the Group is performing in line with forecast in relation to occupancy and costs.

As a consequence, the directors believe that the Group is well-placed to manage its business risks successfully and have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements for the Group.

The company is financed through, but is not reliant upon, an inter-company facility with Busy Bees Holdings Limited, a fellow Group company, and there is an unlimited cross guarantee between the company and other Group companies in respect of bank borrowings.

As at 31 December 2021 the company has net liabilities of £178,629,000 (2020: £142,714,000). 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 comfort from Eagle Superco Limited, which states its commitment 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 its behalf by:



**J C Douin**

Director

3 August 2022

St Matthews  
Shaftsbury Drive  
Burntwood  
Staffordshire  
WS7 9QP  
United Kingdom

# Eagle Holdco Limited

## Directors' report

The directors present an annual report and the audited financial statements for the year ended 31 December 2021. Details of the directors' assessment of developments, going concern, employee engagement and financial risks are set out in the strategic report.

### Proposed dividend

The directors can not recommend payment of a final dividend (2020: £nil), and no dividend has been paid since year end.

### Post balance sheet events

The Group has had the following post balance sheet events. These have an impact on the Company's subsidiaries.

- On 7 January 2022 the Group acquired 100% of the share capital of Safari House Pte Limited in Singapore. Representing 16 centres and for S\$54.5m.
- On 9 February 2022, the Group acquired 100% of the share capital of Leeward Enterprises Limited representing one centre in Jersey for £1.5m.
- On 1 March 2022, the Group acquired 100% of the share capital of Harlequin Childcare Limited representing one centre in Ely, UK for £3.0m.
- On 11 March 2022, the Group acquired 100% of the share capital of Cactus Preschool One LLC and associated companies representing nine centres in Arizona, USA for \$26.5m.
- On 8 April 2022, the Group acquired 100% of the share capital of Elements Learning Pty Ltd, Elements Learning Geelong West Pty Ltd, Elements Learning Torquay Pty Ltd, Elements Learning Warralily Pty Ltd representing four centres for A\$18m.
- On 20 April 2022, the Group acquired 100% of the share capital of Schoolhouse by The Bay Pte. Ltd, The bay @Hillview Pte. Ltd representing two centres for S\$2.4m.
- On 1 June 2022, the Group acquired 100% share capital of Goldstar Nursery Limited representing one centre in Enfield, UK for £3.3m.
- On 30 June 2022, The Group acquired 100% of the share capital of Australian Child Care Career Options (ACCCO) Pty Ltd. A childcare training business in Queensland, Australia for A\$3.5m.
- On 22 July 2022, the Group acquired 100% of the share capital of the Kidz Ink Group representing 6 sites in Delaware, USA for \$7.7m.
- On 3 August 2022, the Group acquired 100% of the share capital of the Just Kidz Group representing 13 centres in Singapore for S\$62.3m.

### Directors

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

J C Douin

R H Shiu – resigned 21 September 2021

A Gupta – appointed 21 September 2021, resigned 4 February 2022

S Yates – appointed 4 February 2022

### 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. The provisions made by the company are in force for the benefit of one or more directors of an associated companies.

### Political contributions

During the year, there were no political donations (2020: £nil).

### Energy and carbon reporting

The Company has taken advantage of the exemption in Part 7A of schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the carbon reporting disclosure as it is a subsidiary undertaking and is included in the consolidated financial statements of Eagle Superco Limited. See note 18 for further details.



# **Eagle Holdco Limited**

## **Directors' report (continued)**

### **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.

Deloitte LLP are deemed to be reappointed as the Company's auditor s487(2) of the Companies Act 2006

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



**J C Douin**

Director

3 August 2022

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

## Report on the audit of the financial statements

### 1. 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 2021 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;
- the related notes 1 to 19.

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).

### 2. 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.

### 3. Summary of our audit approach

<b>Key audit matters</b>	The key audit matter that we identified in the current year was valuation and recoverability of investment balances.
<b>Materiality</b>	The materiality that we used in the current year was £3.28m which was determined on the basis of 1.2% of the value of investments.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	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)**

## **Report on the audit of the financial statements (*continued*)**

### **4. Conclusions relating to going concern**

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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting considers the performance of both the company and the Group. The company is dependant on the ability of other Group companies to settle their obligations to the company on a timely basis. Our evaluation included:

- An assessment of the Group's financing arrangements, noting that £86.5m of the revolving credit facility is available for use at the balance sheet date after excluding £13.5m held for bank guarantees;
- an assessment of management's cash flow forecast for a period of seventeen months from the date of approval of the financial statements and the key assumptions which support these forecasts, including growth in occupancy rates over the assessment period;
- an assessment of management's historical forecasting accuracy; and
- an assessment of management's sensitivity analysis and our own independent sensitivity analysis to determine whether any material uncertainty exists, and to assess the impact on the covenant requirements which would apply once the facility is 40% withdrawn under these scenarios.

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 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.

### **5. 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.

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

## Report on the audit of the financial statements (continued)

### 5. Key audit matters (continued)

#### Valuation and recoverability of investment balances

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**Key audit matter description**

We have assessed the valuation and recoverability of the investment balances as a key audit matter. At 31 December 2021, the company held investments of £268.4m (2020: £232.1m), which represent 99.8% (2020: 99.8%) of total assets for the company. This includes rolled-up interest which accrues annually on the loans provided to subsidiary entities.

The calculation of value-in-use includes assumptions requiring significant management judgement, specifically the growth in nursery occupancy rates over the forecast period and the pre-tax discount rate in underlying trading businesses. There is also 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. Sensitivity analysis is also performed on the key assumptions.

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.

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**How the scope of our audit responded to the key audit matter**

We assessed whether there was any indication that the investment is impaired by assessing the seven impairment indicators per FRS 102 Section 27.9. We obtained an understanding of relevant controls over management's assessment of the recoverability of the investments.

We challenged the directors' judgements regarding the carrying value of the investment balance by assessing the forecasts for each of the significant trading subsidiaries and comparing with actual results post year-end until June 2022 to determine whether the investment balance is recoverable based on future cashflows.

We assessed management's forecasts, including an evaluation of the historical accuracy of management's forecasts by comparing to actual results. We also considered the impact of covid-19 on the results of each territory in which the Group operates.

We involved our valuation specialists to develop independent estimates of the pre-tax discount rates by benchmarking against other entities in the same industry. We obtained an understanding of relevant controls, tested the inputs into management's valuation model, performed sensitivity analysis on the key assumptions, and assessed the model for mathematical accuracy.

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**Key observations**

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

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### 6. Our application of materiality

#### 6.1. 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.

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

## Report on the audit of the financial statements (*continued*)

### 6. Our application of materiality (*continued*)

#### 6.1. Materiality (*continued*)

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

<b>Materiality</b>	£3.28m (2020: £3.29m)
<b>Basis for determining materiality</b>	1.2% of the value of investments (2020: 1.4%)
<b>Rationale for the benchmark applied</b>	We determined materiality based on the investments balance at 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.

#### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit (2020: 70%). In determining performance materiality, we considered the nature of the company and its business and also the low level of misstatements (corrected and uncorrected) in previous years.

#### 6.3. Error reporting threshold

We agreed with those charged with governance that we would report all audit differences in excess of £163k (2020: £164k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to those charged with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### 7. 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. As part of our audit strategy for this entity, we did not plan to rely on the operating effectiveness of internal controls.

### 8. 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 course of 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 this gives rise to 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.

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

## Report on the audit of the financial statements (*continued*)

### 9. 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.

### 10. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies and performance targets;
- results of our enquiries of management, and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including internal tax and valuation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

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

## **Report on the audit of the financial statements (*continued*)**

### **11. Extent to which the audit was considered capable of detecting irregularities, including fraud (*continued*)**

#### **11.1 Identifying and assessing potential risks related to irregularities (*continued*)**

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

#### **11.2. Audit response to risks identified**

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## **Report on other legal and regulatory requirements**

### **12. 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.



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

## **Report on other legal and regulatory requirements (*continued*)**

### **13. Matters on which we are required to report by exception**

#### **13.2. 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.

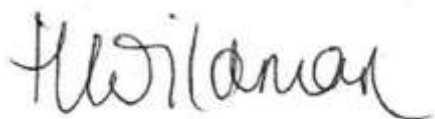
#### **13.3. Directors' remuneration**

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.

### **14. 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.



Helen Wildman, ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

3 August 2022

## Eagle Holdco Limited

### Profit and loss account For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Administrative expenses		(5)	(4)
<b>Operating loss</b>	4	(5)	(4)
Interest receivable and similar income	6	11,380	9,149
Interest payable and similar expenses	7	(47,496)	(41,509)
<b>Loss before taxation</b>		(36,121)	(32,364)
Tax on loss	8	206	81
<b>Loss for the financial year</b>		(35,915)	(32,283)

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 2021

	2021 £'000	2020 £'000
Retained earnings at the beginning of the year	(142,809)	(110,526)
Loss for the financial year	(35,915)	(32,283)
Retained earnings at the end of the year	(178,724)	(142,809)

The notes on pages 19 to 35 form part of these financial statements.

# Eagle Holdco Limited

## Balance sheet As at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	9	268,396	232,094
<b>Current assets</b>			
Debtors	10	528	322
<b>Creditors: amounts falling due within one year</b>	11	(605)	(551)
<b>Net current liabilities</b>		(77)	(229)
<b>Total assets less current liabilities</b>		268,319	231,865
Creditors: amounts falling due in more than one year	12	(446,948)	(374,579)
<b>Net liabilities</b>		(178,629)	(142,714)
<b>Capital and reserves</b>			
Called-up share capital	15	95	95
Profit and loss account		(178,724)	(142,809)
<b>Total shareholder's deficit</b>		(178,629)	(142,714)

These financial statements of Eagle Holdco Limited (registered number 08738822) were approved by the board of directors and authorised for issue on 3 August 2022. They were signed on its behalf by:



**J C Douin**  
Director

The notes on pages 19 to 35 form part of these financial statements.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 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 4.

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 Group's and the Company's ability to continue as a going concern.

The Company's business activities, together with the factors likely to affect its future development, performance and position and its exposures to credit risk are set out above.

The company is dependent on the ability of other group companies to settle their obligations to the Company on a timely basis.

On 19 March 2021, the Group completed a refinancing exercise where the existing TLB loans of £566.7m and €50.0m were replaced with new TLB loans of £365.9m and €257.1m. As part of this refinancing, the existing RCF facility of £75m was also replaced with a new facility of £100m. The new TLB loans have a tenure of seven years and the RCF facility expires in six and a half years. The Group also used £25m of cash to repay part of the old loan balances. The new TLB facility is a 'cov-lite' facility meaning there are no leverage covenant tests on the Group's financing other than on the RCF facility if more than 40% of it is drawn. In this scenario, a leverage covenant of Group indebtedness to EBITDA of 9.85 times would apply.

In October 2021, the Group drew down additional funds of €275m under the SFA to fund the acquisition of Think Childcare Limited in Australia and the Provincial Education Group in New Zealand. Funding from this draw down was also used in part to fund the acquisition of Safari House in Singapore in January 2022.

During the year, at various points the Group drew down on its RCF facility. The maximum amount drawn at any one time was £29.0m. The Group generated sufficient cash such that all amounts have been fully repaid during the year and at 31 December 2021, the full £100.0m RCF facility is undrawn but it is noted that £13.5m is held for use for bank guarantees.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 2. Accounting policies (continued)

#### Going concern (continued)

The Group has prepared detailed forecasts for the period up to September 2023 which demonstrate that the Group is able to generate sufficient cash flows to operate within its new financing arrangements.

The Group cannot predict the indirect impact of any potential economic downturn. The ongoing impact of COVID-19 includes the risk of temporary closure of centres, or the need for both children attending centres and their educators to isolate for a specified period. A temporary or prolonged reduction in occupancy will have the most material impact to the Group's cashflows. The current forecast is based on the Group's 2022 operating plan and thereafter the Group's longer-term forecasts. To assess any potential impact on the Group's cashflows and liquidity, various sensitivities have been performed reflecting a reduction in occupancy rates, including occupancy falling up to 20% below the current forecast.

With occupancy falling to 20% below the current forecast, the Group would have liquidity headroom, inclusive of the £100m RCF facility, in excess of £88.6m and would not trigger the leverage test covenant applicable if more than £40m of the RCF is drawn. The forecast demonstrated that the Group is able to operate within its financing arrangements.

The Group has also separately sensitised the Group's cashflows to cost increases, from higher than expected wage inflation or other supply costs over and above those already included within the current forecast. The forecast demonstrated that the Group is able to operate within its financing arrangements.

In the period to June 2022, the Group is performing in line with forecast in relation to occupancy and costs.

As a consequence, the directors believe that the Group is well-placed to manage its business risks successfully and have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements for the Group.

The company is financed through, but is not reliant upon, an inter-company facility with Busy Bees Holdings Limited, a fellow Group company, and there is an unlimited cross guarantee between the company and other Group companies in respect of bank borrowings.

As at 31 December 2021 the company has net liabilities of £178,629,000 (2020: £142,714,000). 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 comfort from Eagle Superco Limited, which states its commitment 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.

#### Investments

In the company's financial statements, investments comprise of investment in shares and debts of subsidiary undertakings. Investment in shares are stated at cost less provision for any impairment losses and investment in debt instruments are stated at amortised cost.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 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.

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.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 2. Accounting policies (*continued*)

#### **Financial instruments (*continued*)**

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.

#### **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.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 2. Accounting policies (*continued*)

#### Taxation (*continued*)

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.

There were no critical judgements or key sources of estimation uncertainty that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.



# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 4. Operating loss before tax

The fees payable to the company's auditor for the audit of the company's annual financial statements of £12,000 (2020: £10,000) were borne by another Group company. There were no non-audit fees.

### 5. Directors' remuneration

	2021 No	2020 No.
Number of directors	3	2

The directors did not receive any emoluments for their services during the year (2020: £nil). The directors are of the opinion that their qualifying services are immaterial to this entity.

### 6. Interest receivable and similar income

	2021 £'000	2020 £'000
Loan note interest	1,867	1,678
Interest due from Group undertakings	9,513	7,471
	<u>11,380</u>	<u>9,149</u>

### 7. Interest payable and similar expenses

	2021 £'000	2020 £'000
Loan note interest on listed debt subscribed by a fellow group company	47,429	41,448
Other interest due to Group undertakings	67	61
	<u>47,496</u>	<u>41,509</u>

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 8. Tax on loss

	2021 £'000	2020 £'000
<b>Current tax (see note below)</b>		
Current tax on loss for the year	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax (credit)	-	-
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(79)	(53)
Effect of change in rate of corporation tax	(127)	(28)
	<hr/>	<hr/>
Total deferred tax (see note 14)	(206)	(81)
	<hr/>	<hr/>
Tax (credit) on loss	(206)	(81)
	<hr/>	<hr/>

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:

	2021 £'000	2020 £'000
<b>Loss before tax</b>	(36,121)	(32,364)
	<hr/>	<hr/>
Tax credit on loss at standard UK corporation tax rate of 19.00% (2020: 19.00%)	(6,863)	(6,149)
	<hr/>	<hr/>
<b>Effect of:</b>		
-Expenses not deductible for tax purposes	6,395	6,096
-Tax rate charges	(127)	(28)
- Effect of Group reliefs	389	-
	<hr/>	<hr/>
Total tax (credit) for the year	(206)	(81)
	<hr/>	<hr/>

### Factors that may affect future tax charges

The standard rate of tax applied to the reported profit on ordinary activities is 19% (2020: 19%).

In the budget post year end, the Government announced an increase in corporation tax rate from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2022. This increase will increase the companies' current tax charge. Deferred tax balances at 31 December 2021 which are expected to reverse after 1 April 2023 have been calculated at 25%.

At 31 December 2021, the company has unrecognised trading losses of £2.5m (2020: £1.9m) available to offset against certain future profits.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 9. Investments

	Shares in Group undertakings £'000	Loans owed by Group undertakings £'000	Amounts owed by Group undertakings £'000	Total £'000
<b>Cost and net book value in subsidiary company</b>				
As at 1 January 2021	147,025	17,555	67,514	232,094
Additions - Rolled up loan note interest	-	1,867	-	1,867
Additions – Interest	-	-	9,513	9,513
Additions – intercompany loans	-	-	25,000	25,000
Reclassification	-	(2,618)	2,618	-
Other movements	-	-	(78)	(78)
As at 31 December 2021	147,025	16,804	104,567	268,396

The additions to loans owed by Group undertakings relate to the interest rolled up on the loan notes of £1,867,000 – see note 6 (2020: £1,678,000). Additions in amounts owed by Group undertakings relate to additional loans and interest in and from Eagle Midco Limited.

There is a reclassification of loan notes in Eagle Midco Limited to an intercompany receivable from Eagle Midco Limited of £2,618,000.

There is no repayment date attached to the loans owed by group undertakings or the amounts owed by group undertakings. The interest rate on the amounts is 12.5% (2020: 12.5%) and as these amounts are not expected to be recovered until after 12 months from balance sheet date, these amounts have been classified as Investments, within Fixed assets.

There are no indicators or impairment in relation to the Company's investments.

A full listing of subsidiaries at 31 December 2021 is provided below. Unless otherwise indicated, the below subsidiaries are held indirectly:

Company	Country of registration	Registered Company number	Nature of business	Proportion of issued ordinary share capital held by holding Company
Eagle Bidco Limited (*)	England and Wales	08738842	Management services/ holding company	100%
Eagle Target Limited	England and Wales	06903394	Management services/ holding company	100%
Eagle Target 2 Limited	England and Wales	09276094	Management services/ holding company	100%
Eagle Target 3 Limited	England and Wales	09761122	Dormant	100%
Eagle Target 4 Limited	England and Wales	10586002	Dormant	100%

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 9. Investments (continued)

Company	Country of registration	Registered Company number	Nature of business	Proportion of issued ordinary share capital held by holding Company
Eagle Target 5 Limited	England and Wales	10836436	Management services/ holding company	100%
Eagle Target 6 Limited	England and Wales	11095696	Management services/ holding company	100%
Eagle Target 7 Limited	England and Wales	11689968	Management services/ holding company	100%
Eagle Target 8 Limited	England and Wales	12070600	Management services/ holding company	100%
Eagle Target 9 Limited	England and Wales	13254264	Management services/ holding company	100%
Eagle Target 10 Limited	England and Wales	13607546	Management services/ holding company	100%
Busy Bees Holdings Limited	England and Wales	0690391	Management services/ holding company	100%
Busy Bees Nurseries Limited	England and Wales	03454787	Childcare services	100%
Busy Bees Day Nurseries Limited	England and Wales	008bru61615	Dormant	100%
Busy Bees Day Nurseries (Trading) Limited	England and Wales	03229362	Childcare services	100%
Busy Bees Education and Training Limited	England and Wales	03026494	Childcare training	100%
Just Learning Limited	England and Wales	02809756	Dormant	100%
Nu Nu Limited	England and Wales	04228930	Dormant	100%
Busy Bees Nurseries (Scotland) Limited	Scotland	SC118818	Childcare services	100%
Gatford Limited	Scotland	SC179715	Dormant	100%
Learning Just Limited	England and Wales	04330647	Dormant	100%
Oakwood Nurseries Limited	Scotland	SC223393	Childcare services	100%
Careshare Holdings Limited	Scotland	SC211154	Dormant	100%
Just Learning Malling Limited	England and Wales	06990475	Dormant	100%
Kids First Day Nurseries Limited	England and Wales	04360667	Childcare services	100%
Positive Steps Childrens Day Nurseries Limited	England and Wales	04426856	Dormant	100%
Early Years Child Care Limited	England and Wales	02455564	Dormant	100%
Early Years Childcare (SouthEast) Limited	England and Wales	06344914	Dormant	100%
Paintkey Limited	England and Wales	06387390	Dormant	100%
Kinder Nurseries Limited	England and Wales	02468063	Dormant	100%
Lilliput (Brompton) Limited	England and Wales	05365953	Dormant	100%
Lilliput Childcare Services Limited	England and Wales	04529723	Dormant	100%
Q Day Nurseries Limited	England and Wales	05575797	Dormant	100%
Rosevale Holdings Limited	England and Wales	05429215	Dormant	100%
Squiggles Childcare Limited	England and Wales	06067989	Dormant	100%
Brunton Nursery Limited	England and Wales	07408053	Dormant	100%
Busy Bees Holdings Pte. Ltd.	Singapore	N/A	Management services/ holding company	100%
Busy Bees Asia Pte. Ltd.	Singapore	N/A	Childcare services	100%
Busy Bees Singapore Pte. Ltd.	Singapore	N/A	Childcare services	100%

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 9. Investments (continued)

Company	Country of registration	Registered Company number	Nature of business	Proportion of issued ordinary share capital held by holding Company
Odyssey The Global Preschool Pte. Ltd.	Singapore	N/A	Childcare services	100%
Learning Vision @ Work Pte. Ltd.	Singapore	N/A	Childcare services	100%
Brighton Montessori Centres Pte. Ltd.	Singapore	N/A	Childcare services	100%
Pats Schoolhouse Pte. Ltd.	Singapore	N/A	Childcare services	100%
Learning Horizon Pte. Ltd.	Singapore	N/A	Childcare services	100%
Asian International College Pte. Ltd.	Singapore	N/A	Childcare services	100%
Global Educare Sdn Bhd	Malaysia	N/A	Childcare services	100%
Tadika Peter & Jane Sdn Bhd	Malaysia	N/A	Holding company	100%
Children's Studio Sdn Bhd	Malaysia	N/A	Childcare services	100%
Peter & Jane Franchise Sdn Bhd	Malaysia	N/A	Childcare services	100%
Tadika The Children's House Sdn Bhd	Malaysia	N/A	Childcare services	100%
The Montessori Place Sdn Bhd	Malaysia	N/A	Childcare services	100%
Busy Bees Consultancy JSC	Vietnam	N/A	Childcare services	100%
Busy Bees Management LLC	Vietnam	N/A	Childcare services	100%
Just Kids Education and Entertainment Joint Stock Company	Vietnam	N/A	Childcare services	100%
Busy Bees India Pvt. Ltd.	India	N/A	Dormant	100%
Busy Bees Australia Holding Pty Ltd	Australia	N/A	Management services/ holding company	100%
Busy Bees Australia Bidco Pty Ltd	Australia	N/A	Management services/ holding company	100%
Busy Bees Early Learning Australia Pty Ltd	Australia	N/A	Management services/ holding company	100%
Busy Bees Australia Operations Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare Pty Limited	Australia	N/A	Childcare services	100%
Busy Bees Australia Training Pty Ltd	Australia	N/A	Childcare services	100%
FEL Child Care Centres 1 Pty Ltd	Australia	N/A	Childcare services	100%
FEL Child Care Centres 2 Pty Ltd	Australia	N/A	Childcare services	100%
FEL Child Care Centres 3 Pty Ltd	Australia	N/A	Childcare services	100%
FEL Child Care Centres 4 Pty Ltd	Australia	N/A	Childcare services	100%
FEL Child Care Developments Pty Ltd	Australia	N/A	Childcare services	100%
Maragon Australia Pty Ltd	Australia	N/A	Childcare services	100%
Caerus Childcare Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Wyndham Vale Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Cranbourne Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Killarney Heights Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Lane Cove Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Maroubra Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Panania Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Sandringham Pty Ltd	Australia	N/A	Childcare services	100%
Bliss Early Learning Williams Landing Pty Ltd	Australia	N/A	Childcare services	100%
Baker Street Childcare Education Pty Ltd	Australia	N/A	Childcare services	100%
Craigieburn 3064 Think Pty Ltd	Australia	N/A	Childcare services	100%

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 9. Investments (continued)

Company	Country of registration	Registered Company number	Nature of business	Proportion of issued ordinary share capital held by holding Company
Airport West 3042 Think Pty Ltd	Australia	N/A	Childcare services	100%
Edhod MacLeod Pty Ltd	Australia	N/A	Childcare services	100%
Edhod Newcomb Pty Ltd	Australia	N/A	Childcare services	100%
Edhod Trafalgar Pty Ltd	Australia	N/A	Childcare services	100%
Edhod Greensborough Pty Ltd	Australia	N/A	Childcare services	100%
Edhod Wilson Pty Ltd	Australia	N/A	Childcare services	100%
Edhod Settlement Pty Ltd	Australia	N/A	Childcare services	100%
Kilburn 5084 Think Pty Limited	Australia	N/A	Childcare services	100%
Bayswater North 3153 Think Pty Ltd	Australia	N/A	Childcare services	100%
LEA Superior Pty Ltd	Australia	N/A	Childcare services	100%
LEA Cobbs Pty Ltd	Australia	N/A	Childcare services	100%
LEA Childcare Pty Ltd	Australia	N/A	Childcare services	100%
LEA Cranbourne Pty Ltd	Australia	N/A	Childcare services	100%
LEA George's Pty Ltd	Australia	N/A	Childcare services	100%
LEA Landsdale Pty Ltd	Australia	N/A	Childcare services	100%
LEA Lara Pty Ltd	Australia	N/A	Childcare services	100%
LEA Springhill Pty Ltd	Australia	N/A	Childcare services	100%
LEA Westmeadows Pty Ltd	Australia	N/A	Childcare services	100%
LEA Childcare Services Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare ESOP Holding Company Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare Services No. 1 Pty Ltd	Australia	N/A	Childcare services	100%
Shepparton 3630 Think Pty Ltd	Australia	N/A	Childcare services	100%
Maitland 2320 Think Pty Ltd	Australia	N/A	Childcare services	100%
Seven Hills 2147 Think Pty Ltd	Australia	N/A	Childcare services	100%
Noarlunga Downs 5168 Think Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare Moorabbin Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare Belmont Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare Management Pty Ltd	Australia	N/A	Childcare services	100%
Yanched 6035 Think Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare 6069 Pty Ltd	Australia	N/A	Childcare services	100%
Think 2 Tuggerah Cob Ltd	Australia	N/A	Childcare services	100%
Think 2 Georges Hall Geor Pty Ltd	Australia	N/A	Childcare services	100%
Think 2 Brookvale Pit Pty Ltd	Australia	N/A	Childcare services	100%
Think 2 Campbelltown bro Pty Ltd	Australia	N/A	Childcare services	100%
Think 2 Grays Point Gra Pty Ltd	Australia	N/A	Childcare services	100%
Think 2 Amaroo Mor Pty Ltd	Australia	N/A	Childcare services	100%
Think 2 Holborn Gle Pty	Australia	N/A	Childcare services	100%
Think 2 Tamworth Wir Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Altona Meadows Poi Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Byford Cov Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Coburg North Eli Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Dandenong Can Pty Ltd	Australia	N/A	Childcare services	100%

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 9. Investments (continued)

Company	Country of registration	Registered Company number	Nature of business	Proportion of issued ordinary share capital held by holding Company
Think 3 Donvale Spr Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Grovedale Bai Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Hartington Gle Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Lalor Hig Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Montrose Lei Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Moonee Ponds Mcp Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Ormond Kat Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Port Melbourne Ing Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Prahran Don Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Rowville Lakes Sup Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Truganina Sam Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Dandenong Can Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Rowville Lakes Sup Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Sunshine West Ral Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Truganina Sam Pty Ltd	Australia	N/A	Childcare services	100%
Think 4 Woolloongabba May Pty Ltd	Australia	N/A	Childcare services	100%
Think 5 Crittenden Smi Pty Ltd	Australia	N/A	Childcare services	100%
Think 5 Kensington Park Mag Pty Ltd	Australia	N/A	Childcare services	100%
Think 5 Wandana Gil Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Baldivis Bor Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Beeliar Dur Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Carlisle Wes Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Caversham Bod Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Grove Joo Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Hocking Nic Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Lakelands Bar Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Padbury For Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Perth Geo Pty Ltd	Australia	N/A	Childcare services	100%
Think 6 Willetton Cam Pty Ltd	Australia	N/A	Childcare services	100%
Narre Warren South 3805 Pty Ltd	Australia	N/A	Childcare services	100%
Childcare Management Services Pty Ltd	Australia	N/A	Childcare services	100%
Salisbury Downs 5108 Pty Ltd	Australia	N/A	Childcare services	100%
Think Childcare 6110 Pty Ltd	Australia	N/A	Childcare services	100%
Think 5 Golden Grove Ten Pty Ltd	Australia	N/A	Childcare services	100%
Think 3 Bentleigh East Che Pty Ltd	Australia	N/A	Childcare services	100%
Busy Bees NZ Bidco Limited	New Zealand	N/A	Management services/ holding company	100%
Provincial Education Group Limited	New Zealand	N/A	Childcare services	100%
PEG Finance Limited	New Zealand	N/A	Childcare services	100%
PEG 1 Limited	New Zealand	N/A	Childcare services	100%
PEG 2 Limited	New Zealand	N/A	Childcare services	100%
PEG 3 Limited	New Zealand	N/A	Childcare services	100%

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 9. Investments (continued)

Company	Country of registration	Registered Company number	Nature of business	Proportion of issued ordinary share capital held by holding Company
Eagle Target Ireland Holdings Limited	Ireland	N/A	Management services/ holding company	100%
Giraffe Childcare Limited	Ireland	N/A	Childcare services	100%
The Park Academy Limited	Ireland	N/A	Childcare services	100%
Busy Bees Italy Holdings S.r.l	Italy	N/A	Management services/ holding company	100%
Doremi S.r.l	Italy	N/A	Childcare services	100%
Isola dell'Infanzia s.r.l	Italy	N/A	Childcare services	100%
La Coccinella s.r.l	Italy	N/A	Childcare services	100%
Baby & Job	Italy	N/A	Childcare services	100%
Ludoscuela srl	Italy	N/A	Childcare services	100%
BrightPath Early Learning Inc	Canada	N/A	Childcare services	100%
BrightPath Kids Corp.	Canada	N/A	Childcare services	100%
Twentysixmoront Corp	Canada	N/A	Childcare services	100%
Busy Bees US Holdings Limited	USA	N/A	Management services/ holding company	100%
Educational Play Care Ltd.	USA	N/A	Childcare services	100%
Edukids Inc	USA	N/A	Childcare services	100%
Fairlawn Advantage, Inc.	USA	N/A	Childcare services	100%
Future Advantage Inc.	USA	N/A	Childcare services	100%
Hartville Advantage, Inc.	USA	N/A	Childcare services	100%
KC Green Advantage, Inc.	USA	N/A	Childcare services	100%
Medina Advantage, Inc.	USA	N/A	Childcare services	100%
Wadsworth Advantage Inc.	USA	N/A	Childcare services	100%
Enlightened Futures LLC	USA	N/A	Childcare services	100%
Children's House LLC	USA	N/A	Childcare services	100%
The Children's House of Hebron LLC	USA	N/A	Childcare services	100%
The Children's House of Union LLC	USA	N/A	Childcare services	100%
Children's House of Madisonville LLC	USA	N/A	Childcare services	100%
Busy Bees Tarbia	Dubai	N/A	Dormant	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 all Jersey entities is First Floor, Tower House, La Route Es Nouaux, St Helier, Jersey, JE2 4ZJ.

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

The registered address of all Singapore entities is 100G Pasir Panjang Road, #05-18 Interlocal Centre, Singapore 118523.



## **Eagle Holdco Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2021**

#### **9. Investments (continued)**

The registered address of all Malaysian entities is Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia

The registered address of Busy Bees Consultancy JSC and Just Kids Education and Entertainment Joint Stock Company is Mandarin Garden NO3, Dong Nam Urban Area, Tran Duy Hung Street, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam.

The registered address of Busy Bees Management LLC is No. 24, Road No. 24, Ward 11, District 6, Ho Chi Minh City, Vietnam.

The registered address of Busy Bees India Pvt Ltd is No. 24, Road No. 24, Ward 11, District 6, Ho Chi Minh City, Vietnam.

The registered office of all Australian entities is Boardroom PTY Limited, Level 12, 225 George Street, Sydney, NSW 2000.

The registered office of all Provincial Education Group Limited companies is 18 Florence Avenue, Orewa, Orewa, 0931, New Zealand.

The registered office of Busy Bees NZ Bidco Limited is DLA Piper New Zealand, PwC Tower Level 15, 15 Customs Street West, Auckland 1010, New Zealand.

The registered office of all Irish entities is Adamstown Avenue, Castlegate, Adamstown, Lucan, Co. Dublin.

The registered office of Busy Bees Italy Holdings srl and Doremì Srl is Via Carlo Maria Maggi 14, 20154, Milan.

The registered office of Scooby Dooo SRL is VIA Stefano Ussi 21, 20125, Milan.

The registered office of Isola dell'Infanza SRL is Via Lario 16, 20159, Milan.

The registered office of La Coccinella Srl is Corso Torino 54, 10123, Chieri

The registered office of Baby & Job is Salita San Nicola da Tolentino 25, 187, Rome.

The registered office of Ludoscuola srl is Via Erminia Fusinato 4, 135, Rome.

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 address of the Advantage Inc companies is 2955 Smith Road, Fairlawn, OH, 44333.

The registered office of Busy Bees US Holdings Limited is C/O Corporation Service Company, 251 Little Falls Drive, New Castle County, Delaware 19808, USA.

The registered office of Educational Play Care Ltd. is 363 Main Street, 2<sup>nd</sup> Floor, Hartford, Connecticut 06095, USA.

The registered office for Edukids Inc is 3601 Seneca, Suite 200, West Seneca, New York 14224, USA.

# Eagle Holdco Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 10. Debtors

	2021 £'000	2020 £'000
<b>Amounts falling due within one year:</b>		
Deferred tax (note 14)	528	322
	<u>528</u>	<u>322</u>

### 11. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to Group undertakings	605	551
	<u>605</u>	<u>551</u>

There is no repayment date attached to the amount owed to group undertakings. The interest rate on amounts owed to group undertakings is 12.5% (2020: 12.5%).

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

	2021 £'000	2020 £'000
Loan notes subscribed by a fellow group company (note 13)	446,948	374,579
	<u>446,948</u>	<u>374,579</u>

The loan notes have an interest rate of 12.5% which is rolled up annually. Of the above, the loan notes amounting to £258,287k are listed on The International Stock Exchange with £210,144k repayable in 2038 and £48,143k repayable in 2042. The listed loan notes are subscribed by a fellow group company.

### 13. Borrowings

Loan notes are repayable as follows:

	2021 £'000	2020 £'000
More than five years (note 12)	446,948	374,579
	<u>446,948</u>	<u>374,579</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 2021

### 14. Deferred tax asset

	Deferred taxation £ '000
At 1 January 2021	322
Credit to the profit and loss account for the year (note 8)	206
At 31 December 2021	<u>528</u>

The deferred tax asset recognised at 19% (2020: 19%) is as follows:

	2021 £'000	2020 £'000
Non-trading timing differences on loan balances	<u>528</u>	<u>322</u>

At 31 December 2021 the company has unrecognised trading losses of £2.5m (2020: £1.9m) available to offset against certain future profits. This has not been recognised due to the uncertainty of those future profits.

### 15. Called-up share capital

	2021 £	2020 £
<b>Called up, allotted and fully paid</b>		
9,500,000 ordinary shares of £0.01 each	<u>95,000</u>	<u>95,000</u>

### 16. Commitments

The company had no capital commitments at 31 December 2021 (2020: £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 United Kingdom 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.

## **Eagle Holdco Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2021**

#### **19. Post balance sheet events**

The Group has had the following post balance sheet events. These have an impact on the Company's subsidiaries.

- On 7 January 2022 the Group acquired 100% of the share capital of Safari House Pte Limited in Singapore. Representing 16 centres and for S\$54.5m.
- On 9 February 2022, the Group acquired 100% of the share capital of Leeward Enterprises Limited representing one centre in Jersey for £1.5m.
- On 1 March 2022, the Group acquired 100% of the share capital of Harlequin Childcare Limited representing one centre in Ely, UK for £3.0m.
- On 11 March 2022, the Group acquired 100% of the share capital of Cactus Preschool One LLC and associated companies representing nine centres in Arizona, USA for \$26.5m.
- On 8 April 2022, the Group acquired 100% of the share capital of Elements Learning Pty Ltd, Elements Learning Geelong West Pty Ltd, Elements Learning Torquay Pty Ltd, Elements Learning Warralily Pty Ltd representing four centres for A\$18m.
- On 20 April 2022, the Group acquired 100% of the share capital of Schoolhouse by The Bay Pte. Ltd, The bay @Hillview Pte. Ltd representing two centres for S\$2.4m.
- On 1 June 2022, the Group acquired 100% share capital of Goldstar Nursery Limited representing one centre in Enfield, UK for £3.3m.
- On 30 June 2022, The Group acquired 100% of the share capital of Australian Child Care Career Options (ACCCO) Pty Ltd. A childcare training business in Queensland, Australia for A\$3.5m.
- On 22 July 2022, the Group acquired 100% of the share capital of the Kidz Ink Group representing 6 sites in Delaware, USA for \$7.7m.
- On 3 August 2022, the Group acquired 100% of the share capital of the Just Kidz Group representing 13 centres in Singapore for S\$62.3m.