

'Big box' daycare setting up in Maple Ridge ^[1]

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EXCERPTS

A publicly-traded company focused on consolidating Canada's fragmented childcare industry has acquired at least two daycares in Maple Ridge as it rapidly expands across the country.

Edleun Group Inc. completed its purchase of the Maple Ridge businesses earlier this month and has agreements for two other redevelopment properties, as well as additional centres in B.C.

"Closing of these acquisitions cements our initial move into the British Columbia marketplace, which broadens national awareness of the Edleun brand and creates new childcare spaces in under-served communities," said Leslie Wulf, chief executive officer of Edleun in a press release.

Located in Maple Ridge, Coquitlam, Port Moody and Kelowna, the five childcare centres with 422 licensed spaces were purchased for a price of \$4.1 million.

Maple Ridge Learning Centre, 21593 Dewdney Trunk Road, and Maple Ridge West Learning Centre, 12209 - 206th Street are listed on the company's website.

Edleun did not return calls for comment on the take-over and calls to the Maple Ridge daycares were directed to the company's Calgary head office.

A press release issued by Edleun, however, stressed the value of its recent acquisitions.

"We are extremely pleased with the closing of these transactions," said Wulf.

"These acquisitions are quite material, both strategically in terms of entrenching our expansion into British Columbia and financially due to their contribution to our bottom line profitability and cash flow."

Edleun estimates there are 8,800 childcare centres across Canada and aims to become a larger player through acquisitions of new and existing operations, with plans to control 10 per cent of the Canadian market.

A 23,550-square-foot early learning and care facility is targeted to open in early 2012 in south Calgary, which will create 247 new licensed child care spaces and provide employment to 33 early childhood educators.

All Edleun-owned centres are standardized and offer a set curriculum, as well as menus, planned by a registered dietician.

The company's aggressive expansion plans, however, worry childcare advocates who characterized Edleun's approach as "big box child care."

"They are not really in the business of childcare, they are in the business of making money for their investors," said Michael Lanier, chairperson for CUPE B.C.'s childcare working group.

Edleun Group Inc., which began trading on the TSX in 2010, reported unaudited consolidated earnings of \$3,501,973 for the first quarter of 2011.

Lanier points to Australia's ABC Learning Centres as an example of a large-scale corporate childcare operation gone awry. At its height, ABC Learning Centres owned 25 per cent of the daycare spaces in Australia - more than 1,000 - centres but folded in 2008 with \$1.6 billion of debt.

Wulf, Edleun's CEO, was linked to ABC Learning Centres' Canadian arm, 123 Busy Beavers.

"The Edleun Group is really involved in the real estate market," said Lanier.

"They drive the competition out of the area. They buy buildings, set it all up and then they've got themselves a real estate investment. They are not really in this because they believe in child care. "

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