

Company Registration No. 04426856

Positive Steps Childrens Day Nursery Limited

Annual Report and Financial Statements

For the year ended 31 December 2018



Positive Steps Childrens Day Nursery Limited

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

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Positive Steps Childrens Day Nursery Limited

Strategic report

The directors present their Strategic Report for the year ended 31 December 2018. The prior period is for the year ended 31 December 2017.

Activities

The Company's principal activity was the provision of childcare services under the Busy Bees brand, until the trade and net assets were transferred on 1 January 2018 when the Company ceased to trade and became dormant. The company is part of the Busy Bees group of companies ('the group').

On 1 January 2018, as part of a group reorganisation exercise, the Company transferred its entire trade and assets to another group subsidiary, Busy Bees Nurseries Limited. The Company also reduced its share capital to £1 nominal value and realised its share premium and capital reserves through a capital reduction. The Company then declared a dividend for the full amount of its distributable reserves to its parent Company, Busy Bees Holdings Limited. The company has been dormant during the year and it is expected that this Company will eventually be dissolved.

Key risks

Due to the Company no longer trading and also having no assets, the directors believe there are no key risks for this Company.

Going concern

As the Company no longer trades, the directors have prepared the financial statements on a basis other than a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

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



M Muller
Director
2 September 2019

St Mathews
Shaftesbury Drive
Burntwood
Staffordshire
WS7 9QP
United Kingdom

Positive Steps Childrens Day Nursery Limited

Directors' report

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

Proposed dividend

The directors agreed a dividend of £11,156,037 (2017: £nil)

Directors

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

S Irons
M Randles
C Phizacklea
M Muller

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.

Employees

The company pursues a policy of meeting with representatives of various sections of employees at which relevant information and developments are discussed. Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled persons while employed. The policy is to give equal opportunity for training, career developments and promotion.

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

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



M Muller
Director
2 September 2019

St Mathews
Shaftesbury Drive
Burntwood
Staffordshire
WS7 9QP
United Kingdom

Positive Steps Childrens Day Nursery Limited

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Positive Steps Childrens Day Nursery Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Positive Steps Childrens Day Nursery Limited (the 'company');

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result 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).

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, 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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.

Independent auditor's report to the members of Positive Steps Childrens Day Nursery Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



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

3 September 2019

Positive Steps Childrens Day Nursery Limited

Profit and Loss account

For the year ended 31 December 2018

	Note	2018 £ '000	2017 £ '000
Turnover	4	-	7,374
Cost of sales		-	(3,651)
Gross profit		-	3,723
Administrative expenses		-	(1,121)
Profit on sale of fixed assets		-	2,989
Operating result/profit	5	-	5,591
Interest receivable and similar income	8	-	272
Interest payable and similar expenses	9	-	(23)
Result/profit before taxation		-	5,840
Tax on result/profit	10	-	(15)
Result/profit for the financial year		-	5,825

All amounts relate to discontinued activities.

There are no items of other comprehensive income in either period other than those reflected in the profit and loss account. Accordingly no separate statement of other comprehensive income is presented.

Statement of income and retained earnings

For the year ended 31 December 2018

	2018 £ '000	2017 £ '000
Retained earnings at the beginning of the year	11,156	5,331
Profit for the financial year	-	5,825
Dividends paid in year	(11,156)	-
Retained earnings at the end of the year	-	11,156

The notes on pages 8 to 17 form part of these financial statements.

Positive Steps Childrens Day Nursery Limited

Balance sheet

As at 31 December 2018

	Note	2018 £ '000	2017 £ '000
Fixed assets			
Tangible assets	11	-	3,392
Current assets			
Debtors	12	-	9,021
Cash at bank and in hand		-	396
		-	9,417
Creditors: amounts falling due within one year	13	-	(1,638)
Net current assets		-	7,779
Total assets less current liabilities		-	11,171
Provisions for liabilities	14	-	(15)
Net assets		-	11,156
Capital and reserves			
Called-up share capital	15	-	-
Profit and loss account		-	11,156
Total shareholder's funds		-	11,156

These financial statements of Positive Steps Childrens Day Nursery Limited (registered number 04426856) were approved by the board of directors and authorised for issue on 2 September 2019. They were signed on its behalf by:



M Muller
Director

The notes on pages 8 to 17 form part of these financial statements

Positive Steps Childrens Day Nursery Limited

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

1. Basis of preparation

Positive Steps Childrens Day Nursery Limited (the company) is a company incorporated in England, United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1.

These financial statements have been prepared under the historical cost basis of accounting, and in accordance with 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 as otherwise required by section 11 of FRS 102;
- 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.

Advantage has been taken of the following exemptions contained in section 35 of FRS 102:

- the company has elected to determine whether arrangements contain a lease on the basis of facts and circumstances on the date of transition to FRS 102 rather than when the arrangements were first entered into.

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

As the Company no longer trades, the directors have prepared the financial statements on a basis other than a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

Transfer of trade and assets

On 1 January 2018, as part of a group reorganisation exercise, the Company transferred its entire trade and assets at net book value to another group subsidiary, Busy Bees Nurseries Limited. The Company also reduced its share capital to £1 nominal value and realised its share premium and capital reserves through a capital reduction. The Company then declared a dividend for the full amount of its distributable reserves to its parent Company, Busy Bees Holdings Limited. The company has been dormant during the year and it is expected that this Company will eventually be dissolved.

Positive Steps Childrens Day Nursery Limited

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

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Group 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 Group 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.

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.

Positive Steps Childrens Day Nursery Limited

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

2. Accounting policies (continued)

Financial instruments (continued)

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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Impairment of assets

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

Non-financial assets

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

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

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 profit

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

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.

Positive Steps Childrens Day Nursery Limited

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

2. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold and long leasehold land and buildings	over 50 years with an expected residual value of 50%
Short leasehold improvements	over the period of the lease
Nursery and office equipment	over four to five years
Motor vehicles	over four years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on straight-line basis over the lease term.

Taxation

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

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

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

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

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less than the value at which it is recognised, a deferred tax liability is recognised for the additional tax that will be paid in respect of that difference. Similarly, a deferred tax asset is recognised for the additional tax that will be avoided because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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.

Positive Steps Childrens Day Nursery Limited

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

2. Accounting policies (continued)

Taxation (continued)

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.

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.

Pension costs

The company contributes to a number of money purchase pension schemes. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension charge represents the amounts payable by the company to the schemes during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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. The estimates and associated assumptions relate to provisioning against receivables and recognition of grant income and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key accounting judgement, in the opinion of directors, is the sale and leaseback transaction carried out during the prior year involves the legal form of a lease. It is necessary to determine whether the associated transactions are linked and whether the arrangement meets the form of a lease under FRS 102. The directors have concluded based on the facts and circumstances that the sale and leaseback transaction does have the features of a lease arrangement and hence accounting as a sale and operating lease transaction is appropriate.

There were no critical accounting estimates in either the current or prior periods.

4. Turnover

Turnover represents the value of sales, excluding value added tax and is attributable to the company's principal activity and arises wholly within the United Kingdom. Nursery fees paid in advance are held in deferred income and only recognised in the period to which they relate. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Positive Steps Childrens Day Nursery Limited

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

5. Operating profit

	2018 £ '000	2017 £ '000
Operating profit is stated after (crediting)/charging:		
Depreciation on owned tangible fixed assets	-	208
Hire of other assets – operating leases	-	11
Hire of land & buildings – operating leases	-	300
Profit on sale of fixed assets	-	(2,989)

The fees payable to the company's auditor for the audit of the company's annual financial statements were £1,000 (2017: £8,000) and the fees payable to the company's auditor and their associates for other services to the company were £nil (2017: £nil). The auditor's fees for the period ended 31 December 2018 were borne by another group company.

During the prior year, the company completed a sale and leaseback transaction on 1 of its freehold and long leasehold properties. The group has entered into an agreement to lease this property back for 175 years, with an option to buy back at the end of this period.

6. Staff numbers and costs

	2018 No.	2017 No.
Average number of persons employed during the year		
- Administration	-	20
- Nursery staff	-	158

The aggregate payroll costs of these persons were as follows:

	2018 £ '000	2017 £ '000
Wages and salaries	-	3,056
Social security costs	-	174
Pension	-	13
	-	3,243

7. Directors' remuneration

The directors were remunerated by a fellow group company during the year (2017: Nil). The directors received emoluments from other group companies for their services to all group companies. It is not considered practical or possible to accurately apportion these costs to each entity in the group. Given the relative size of the respective entities, the effect of not apportioning these costs for disclosure purposes is not considered to be material.

8. Interest receivable and similar income

	2018 £ '000	2017 £ '000
Interest due from group undertaking	-	272

Positive Steps Childrens Day Nursery Limited

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

9. Interest payable and similar charges

	2018 £ '000	2017 £ '000
Bank loan interest due to group undertakings	-	23

10. Tax on result/profit

	2018 £ '000	2017 £ '000
Amounts falling due within one year:		
Current tax (see note below)		
Current tax on result/profit for the year	-	-
Adjustment in respect of prior period	-	(4)
Total current tax (credit)/charge	-	(4)
Deferred tax		
Origination and reversal of timing differences	-	12
Adjustment in respect of prior period	-	8
Effect of changes in tax rates	-	(1)
Total deferred tax (see note 14)	-	19
Tax charge	-	15

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

	2018 £ '000	2017 £ '000
Result/profit before tax	-	5,840
Tax on result/profit at standard UK corporation tax rate of 19.00% (2017: 19.25%)	-	1,124
Effect of:		
- Disposals at nil gain, nil loss	-	(561)
- effect of change in tax rates	-	(1)
- Expenses not deductible for tax purposes	-	25
- Group relief obtained for £nil consideration	-	(576)
- Adjustment in respect of prior periods	-	4
Total tax charge for the year	-	15

Positive Steps Childrens Day Nursery Limited

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

10. Tax on result/profit (continued)

Factors that may affect future tax charges

The standard rate of tax applied to the reported result/profit is 19.00% (2017: 19.25%).

The government has announced that the UK corporation tax rate will reduce to 17% by 1 April 2020. Reductions in the UK tax rate from 20% to 19% (effective from 1 April 2017) were substantively enacted on 26 October 2015 and to 17% (effective 1 April 2020) were substantively enacted in September 2016. These reductions will further reduce the company's current tax charge.

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

At 31 December 2018 the company has no unrecognised trading losses (2017: £nil) available to offset against future profits.

11. Tangible fixed assets

	Freehold and long leasehold land and buildings £ '000	Short leasehold improvements £ '000	Nursery and office equipment £ '000	Motor vehicles £ '000	Total £ '000
Cost					
At 1 January 2018	2,422	343	1,231	14	4,010
Intercompany disposals	(2,422)	(343)	(1,231)	(14)	(4,010)
At 31 December 2018	-	-	-	-	-
Accumulated depreciation					
At 1 January 2018	107	126	376	9	618
Intercompany disposals	(107)	(126)	(376)	(9)	(618)
At 31 December 2018	-	-	-	-	-
Net book value					
At 31 December 2018	-	-	-	-	-
At 31 December 2017	2,315	217	855	5	3,392

Positive Steps Childrens Day Nursery Limited

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

12. Debtors

	2018 £ '000	2017 £ '000
Amounts falling due within one year:		
Trade debtors	-	15
Amounts owed by group undertakings	-	8,682
Prepayments and accrued income	-	76
Other debtors	-	35
Corporation tax	-	213
	<u>-</u>	<u>9,021</u>

There is no repayment date attached to the amount owed by group undertakings. There was no interest charged on the amounts owed by group undertakings (2017: 6.44%).

13. Creditors: amounts falling due within one year

	2018 £ '000	2017 £ '000
Trade creditors	-	112
Amounts owed to group undertakings	-	735
Other taxes and social security	-	64
Other creditors	-	506
Accruals and deferred income	-	221
	<u>-</u>	<u>1,638</u>

There is no repayment date attached to the amount owed to group undertakings. There was no interest charged on the amounts owed to group undertakings (2017: 6.44%).

14. Provisions for liabilities

	Deferred tax liability £ '000
At 1 January 2018	15
Intercompany transfer	(15)
At 31 December 2018	<u>-</u>

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

	2018 £ '000	2017 £ '000
Difference between accumulated depreciation and capital allowances	-	30
Other short term timing differences	-	(15)
	<u>-</u>	<u>15</u>

Positive Steps Childrens Day Nursery Limited

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

15. Called up share capital

	2018 £	2017 £
Called up, allotted and fully paid		
100 ordinary shares of £0.01 each (2017: 100 ordinary shares of £1 each)	1	100

On 1 January 2018 as part of the group reorganisation exercise the company carried out a capital reduction as above.

16. Commitments

- (a) The company had no capital commitments at 31 December 2018 (2017: £nil).
- (b) The company provides an unlimited cross guarantee to other group companies in respect of bank borrowings. Total group and company bank borrowings at 31 December 2018 are £511.5m (2017: £411.5m).
- (c) Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 Plant & Machinery £ '000	2017 Plant & Machinery £ '000	2018 Land and buildings £ '000	2017 Land and buildings £ '000
Minimum lease payments due:				
- within one year	-	8	-	251
- between one and five years	-	25	-	1,005
- after five years	-	-	-	2,614
	<u>-</u>	<u>33</u>	<u>-</u>	<u>3,870</u>

17. Pensions

The group operates a money purchase scheme for the benefit of certain employees. Contributions are charged to the profit and loss account in the year to which they relate. The charge in the period was £nil (2017: £13,000).

18. Related party transactions

The company has taken the exemption available under FRS 102 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.

19. Controlling parties

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