

Company Registration No. 05065959 (England and Wales)

**CERES NURSERY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2019**

PAGES FOR FILING WITH REGISTRAR

**tc** accounts • tax • legal • financial planning

Abbey House  
Hickleys Court  
South Street  
Farnham  
GU9 7QQ

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**CERES NURSERY LIMITED**

**COMPANY INFORMATION**

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<b>Director</b>	Mr R. Shannon
<b>Company number</b>	05065959
<b>Registered office</b>	Roebuck House 284 - 286 Upper Richmond Road West Surrey SW14 7JE
<b>Auditor</b>	TC Group Abbey House Hickleys Court South Street Farnham Surrey GU9 7QQ

**CERES NURSERY LIMITED**

**BALANCE SHEET**

**AS AT 30 JUNE 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	4	3,793,283		4,217,689	
<b>Current assets</b>					
Debtors	5	683,874		702,262	
Cash at bank and in hand		85,760		250,752	
		<u>769,634</u>		<u>953,014</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,922,815)</u>		<u>(2,738,458)</u>	
<b>Net current liabilities</b>			<u>(1,153,181)</u>		<u>(1,785,444)</u>
<b>Total assets less current liabilities</b>		2,640,102		2,432,245	
<b>Provisions for liabilities</b>	7		<u>(22,419)</u>		<u>(24,378)</u>
<b>Net assets</b>		<u>2,617,683</u>		<u>2,407,867</u>	
<b>Capital and reserves</b>					
Called up share capital	8		80		80
Capital redemption reserve			20		20
Profit and loss reserves		2,617,583		2,407,767	
<b>Total equity</b>		<u>2,617,683</u>		<u>2,407,867</u>	

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on

27-10-2020

Mr B. Shannon  
Director

Company Registration No. 05065959

The notes on pages 3 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**1 Accounting policies**

**Company information**

Ceres Nursery Limited (05065959) is a private company limited by shares incorporated in England and Wales. The registered office is Roebuck House 284 -286 Upper Richmond Road West, East Sheen, London, United Kingdom, SW14 7JE.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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**1 Accounting policies**

**(Continued)**

**1.2 Going concern**

The duration of the UK Government's measures announced to tackle the COVID-19 pandemic has not been defined, and there is uncertainty in measuring the potential impact of the measures on the business, results of operations, financial position and cashflows. These factors and any future policy announcements by the UK Government are largely outside of the control of the company's management, but could have an adverse impact on the company.

As set out in the statement of directors' responsibilities statement on page 2, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have prepared forecasts and considered their expectations for the company over the next 12 months and the company's ability to meet its liabilities as they fall due, based upon the information available to the directors at the date of these financial statements.

At the time of approving the financial statements, the company has revised cashflows and budgets based on the following assumptions which may be conservative given we have now reopened all but one nursery (Coppingham Cottage) and current parental demand remains at 80% of pre pandemic levels. The company expects demand to return to full or above 2019 levels in early 2021.

The Coronavirus Job Retention Scheme (CJRS) has provided supplementary cash-flow relief as the group had already made satisfactory progress on cost management initiatives throughout the 2019/20 year. As the scheme winds down at the end of October 2020, all staff previously on furlough have returned to work and overall staff manning levels have been reviewed. A limited redundancy scheme of 35 persons has been implemented in non-essential areas such as IT and extra-curricular activities which was supplemented by voluntary redundancy applications.

Since 1 July 2019 to date the group has been able to meet its bank loan repayment commitments, and has complied with the covenant requirements.

Based on their forecasts the directors have a reasonable expectation that the company has adequate resources to contend with the uncertainties that may arise as a result of the COVID-19 pandemic, and to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Turnover**

The turnover shown in the profit and loss account represents amounts receivable for services provided in the normal course of business during the year.

**1.4 Tangible fixed assets**

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

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

Freehold property	- 50 years straight line
Long leasehold and improvem'ts	- 25 years straight line
Nursery and office equipment	- 25% reducing balance
Furniture and fittings	- 25% reducing balance

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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**1 Accounting policies**

**(Continued)**

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

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1.6 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

**1.7 Financial instruments**

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

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

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

***Basic financial assets***

Basic financial assets, which include debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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**1 Accounting policies**

**(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**1.8 Equity instruments**

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

**1.9 Taxation**

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

***Current tax***

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

***Deferred tax***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



**CERES NURSERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**1 Accounting policies**

**(Continued)**

**1.11 Retirement benefits**

The company operates a defined contribution pension scheme, the assets of which are held in a separate company. Contributions made are charged to the profit and loss account at the time they are payable.

**1.12 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.13 Finance costs**

Finance costs in respect of bank loans are accounted for as prepayments, which are then amortised over the term of the bank loan.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 46 (2018 - 49).

**3 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	31,667	224,615
Adjustments in respect of prior periods	30	(68,849)
	<u>31,697</u>	<u>155,766</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,959)	(2,655)
	<u>(1,959)</u>	<u>(2,655)</u>
<b>Total tax charge</b>	<u>29,738</u>	<u>153,111</u>

**CERES NURSERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**4 Tangible fixed assets**

	Freehold property	Long leasehold and improvem'ts	Furniture and fittings	Nursery and office equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2018	3,158,100	1,406,050	80,602	125,112	4,769,864
Additions	-	989	-	14,476	15,465
At 30 June 2019	3,158,100	1,407,039	80,602	139,588	4,785,329
<b>Depreciation and impairment</b>					
At 1 July 2018	31,870	367,497	52,158	100,650	552,175
Depreciation charged in the year	63,163	56,140	7,110	8,952	135,365
Impairment losses	304,506	-	-	-	304,506
At 30 June 2019	399,539	423,637	59,268	109,602	992,046
<b>Carrying amount</b>					
At 30 June 2019	2,758,561	983,402	21,334	29,986	3,793,283
At 30 June 2018	3,126,230	1,038,553	28,444	24,462	4,217,689

**5 Debtors**

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	30,136	49,900
Amounts owed by group undertakings	529,627	589,840
Other debtors	1,897	-
Prepayments and accrued income	122,214	62,522
	683,874	702,262

**CERES NURSERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**6 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	94,908	29,624
Amounts owed to group undertakings	1,723,558	2,382,782
Corporation tax	27,507	224,615
Other taxation and social security	16,513	10,926
Other creditors	33,670	47,724
Accruals and deferred income	26,659	42,787
	<u>1,922,815</u>	<u>2,738,458</u>

**7 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2019</b>	<b>2018</b>
<b>Balances:</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	22,903	24,378
Retirement benefit obligations	(484)	-
	<u>22,419</u>	<u>24,378</u>

**8 Called up share capital**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
80 Ordinary shares at £1 each	80	80
	<u>80</u>	<u>80</u>

**9 Related party transactions**

The company has taken advantage of the exemption available under FRS 102 Section 33.1A, whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

**10 Financial commitments, guarantees and contingent liabilities**

During the year, the Group held facilities which provides finance up to £19,475,000 (2018 - £17,975,000) which terminates in August 2025. At the year end £17,975,000 of this facility had been drawn down and the outstanding total debt across all group companies was £15,728,334. The bank loans are secured by a Group cross guarantee, and a first charge over the properties owned by the Group. In respect of borrowings Santander Corporate Bank hold a legal charge over all the properties owned by the Group. It also holds a cross guarantee and debentures between the Group companies. The loan is subject to quarterly capital repayments, and interest is charged at 2.5%.

**11 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Total commitments for future minimum lease payments	49,000	77,000

**12 Events after the reporting date**

At the date of approval of these financial statements the UK is subject to the measures introduced by the UK Government to address the COVID-19 pandemic, which is having a significant detrimental impact on the social and financial economies of the UK and the world. Under FRS 102, COVID-19 is not considered to be an adjusting subsequent event in the context of these financial statements, however its impact and the measures which have been implemented by the UK Government, which are largely outside of the company's control, are likely to have a downward impact on the operations and profitability of the company for the forthcoming period throughout 2020.

**13 Parent company**

The company's immediate parent undertaking is Childcare and Learning (Holdings) Limited.

The smallest and largest group of which the company is a member and for which consolidated accounts are prepared is Childcare and Learning (Holdings) Limited. Copies of the consolidated accounts of Childcare and Learning (Holdings) Limited can be obtained from the company's registered office. Roebuck House 284 -286 Upper Richmond Road West, East Sheen, London, United Kingdom, SW14 7JE.

The ultimate parent undertaking is Childcare and Learning (Hong Kong) Limited, a company incorporated in Hong Kong. The ultimate controlling party is considered to be Mr R. Shannon.



**CERES NURSERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**14 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Helen Kay BA FCA.

The auditor was TC Group.

TC Group  
27 October 2020