

Company Registration No. 05161564 (England and Wales)

KIDS ALLOWED LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS FOR THE 6 MONTH PERIOD TO
31 MARCH 2020

SATURDAY



AA0NCFXS

A07

20/03/2021

#7

COMPANIES HOUSE

KIDS ALLOWED LIMITED

COMPANY INFORMATION

Directors

J. Johnson (Resigned 25 January 2020)
A Haynes (Resigned 25 January 2020)
K. Whistance (Resigned 25 January 2020)
J. Hoban
C. Roberts
L. Kaczmarska
K. Ellis
J. Crosswell (Appointed 29 June 2020)
M. McMenemy (Non-Executive Resigned 11 February 2021)
P. Mehta

Registered office

231 Higher Lane
Lymm
Cheshire
WA13 0RZ

Company number

05161564

KIDS ALLOWED LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

KIDS ALLOWED LIMITED

STRATEGIC REPORT FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2020

The directors present the strategic report for the 6 month period ended 31 March 2020.

OVERVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and complexity of our business and is written in the context of the risks that we feel we face.

PRINCIPAL ACTIVITIES

The principal activity of the Group continues to be that of the provision of highest quality childcare.

REVIEW OF THE BUSINESS

During the financial year Kids Allowed Limited alongside its subsidiaries Kids Allowed Academy Ltd, JJKAF Limited, KWKAR Limited were acquired by the company Kids Planet Day Nurseries Limited. Kids Allowed Limited has now been hived up by the controlling company Kids Planet Day Nurseries Limited.

Kids Allowed operates in the North West of England offering childcare for children from birth to 5 years and wraparound care for school children to age 11.

Kids Allowed operates from eight centres: Cheadle Royal, Christie Fields, Knutsford, Macclesfield, Stockport, MFTS, Altrincham and Trafford City.

FINANCIAL PERFORMANCE

The financial reports within this document show the full financial year 2019 and the 6 month period from September to March 2020 before the company was absorbed within the controlling company Kids Planet Day Nurseries Limited.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the business are:

Reputational risk and Ofsted

Kids Allowed has a reputation as a high quality provider. The reputation is protected with robust compliance systems, audits and procedures relating to recruitment, operations, educational pedagogy, safeguarding and financial management.

Recruitment

There is an increasing demand for qualified nursery nurses within the sector. We remain committed to being a great place to work for all of our colleagues and this is reflected in low team turnover and good team retention.

Business interruption

Kids Allowed has plans in place for business continuity for most situations. The global COVID-19 pandemic has been faced and come through by both being part of the larger Kids Planet day Nurseries group and being flexible in its approach.

KIDS ALLOWED LIMITED

STRATEGIC REPORT (continued) FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2020

By order of the board

A handwritten signature in black ink, appearing to read 'K. Ellis', is positioned below the text 'By order of the board'.

K Ellis
Director
19 March 2021

KIDS ALLOWED LIMITED

DIRECTORS' REPORT FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the 6 month period ended 31 March 2020.

Principal activities

The principal activity continues to be that of the provision of the highest quality childcare.

Directors

The directors who held office during the year end up to the date of signature of the financial statements were:

J. Johnson (Resigned 25 January 2020)
A Haynes (Resigned 25 January 2020)
K. Whistance (Resigned 25 January 2020)
J. Hoban
C. Roberts
L. Kaczmarska
K. Ellis
J. Crosswell (Appointed 29 June 2020)
M. McMenemy (Non-Executive Resigned 11 February 2021)
P. Mehta

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Following the sale of the company to Kids planet Day Nurseries Limited the previous auditors Royce peeling Green Limited resigned. For the year ending 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

By order of the board



K Ellis
Director
19 March 2021

KIDS ALLOWED LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2020

The directors are responsible for the 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). Under company 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

KIDS ALLOWED LIMITED

INDEPENDENT AUDITORS REPORT FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2020

For the year ending 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

KIDS ALLOWED LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	3,775,979	6,854,157
Cost of sales		(2,282,917)	(6,202,467)
Gross profit		1,493,061	661,690
Administrative expenses		(1,742,747)	(2,725,517)
Other operating income		-	573,631
Profit/(loss) on ordinary activities before taxation	4	(249,686)	(1,490,196)
Interest payable and similar expenses	7	(12,503)	(36,507)
Amounts written off investments	8	-	(78,130)
Profit (loss) before Taxation		(262,188)	(1,604,833)
Tax on profit/(loss) on ordinary activities	12	10,051	(46,330)
Profit/(loss) for the year		<u>(252,137)</u>	(1,651,163)

KIDS ALLOWED LIMITED

BALANCE SHEET AS AT MARCH 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		148,559		158,027
Tangible assets	13		217,891		229,114
Investments	15		3		3
			<u>366,452</u>		<u>387,144</u>
Current assets					
Stocks	16	-		60,008	
Debtors	17	8,014,273		12,752,681	
Cash at bank and in hand		<u>406,467</u>		<u>138,474</u>	
		8,420,740		12,951,163	
Creditors; amounts falling due within one year	18	(10,043,710)		(14,533,028)	
Net current (liabilities) / assets			<u>(1,622,970)</u>		<u>(1,581,865)</u>
Total assets less current liabilities			<u>(1,256,518)</u>		<u>(1,194,721)</u>
Creditors: amounts falling due after more than one year	19		(525,243)		(322,260)
Provisions for liabilities	20		<u>110,308</u>		<u>97,662</u>
Net (liabilities) / assets			<u>(1,671,456)</u>		<u>(1,419,319)</u>
Capital and reserves					
Called up share capital	21		25,000		25,000
Profit and loss reserves			<u>(1,696,456)</u>		<u>(1,444,319)</u>
Total Equity			<u>(1,671,456)</u>		<u>(1,419,319)</u>

The financial statements were approved by the board of directors and authorized for issue on 19 March 2021 and are signed on its behalf by;



K Ellis
Director

Company Registration No. 05161564

KIDS ALLOWED LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 2020

	Share Capital £	Profit and loss reserves £	Total £
Balance at 1 October 2019	25,000	(1,444,319)	(1,419,319)
Year ended 30 September 2019:			
Loss and total comprehensive income for the year	-	(252,137)	(252,137)
Balance at 31 March 2020	25,000	(1,696,456)	(1,671,456)

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The Directors consider the company to be a going concern as the Company continues to receive the support of its parent Company.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 4 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	7 years
Fixtures, fittings & equipment	5 years

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Deferred taxation

In accordance with Financial Reporting Standard 19 'Accounting for deferred tax', deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse.

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 taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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.

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

1.8 Group accounts

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Kids Planet Day Nurseries Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. 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 recognized in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation and amortization

The depreciation and amortization expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made as to the estimated useful life of the assets; these are regularly reviewed to reflect the changing environment.

3 Turnover and other revenue

Total turnover for the year is derived from the principal activity undertaken wholly in the United Kingdom.

4 Operating profit/(loss)	2020 £	2019 £
Operating profit/(loss) is stated after		
charging: Amortisation of intangible assets	9,468	40,508
Depreciation of tangible assets	46,282	77,230
Operating lease charges	873,504	1,985,944
Auditors' remuneration (including expenses and benefits in kind)	5,192	13,560
Cost of stocks recognised as an expense	-	504,528

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	2020 Number	2019 Number
Management	5	5
Administration	21	20
Childcare	229	286
Training	5	6
	<u>260</u>	<u>317</u>

Their aggregate number comprised:

	2020 £	2019 £
Wages and salaries	2,296,793	4,720,843
Social security costs	166,984	343,220
Pension costs	33,550	68,959
	<u>2,497,327</u>	<u>5,133,022</u>

6 Director's remunerations

	2020 £	2019 £
Remuneration for qualifying services	68,387	234,470
Company pension contributions to defined contribution schemes	4,660	15,976
	<u>73,047</u>	<u>250,446</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil after acquisition by Kids Planet Day Nurseries Limited (2019 - 2).

7 Interest payable and similar expenses

	2020 £	2019 £
Interest on finance leases and hire purchase contracts	-	843
Other interest	12,503	35,664
	<u>12,503</u>	<u>36,507</u>

8 Amounts written off investments

	2020 £	2019 £
Amounts written off current loans	-	(78,130)
	<u>-</u>	<u>(78,130)</u>

9 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	33,550	68,959

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

10 Dividends

	2020 £	2019 £
Interim Paid	-	-

11 Intangible fixed assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 October 2019	50,000	647,245	697,245
Additions	-	-	-
At 31 March 2020	50,000	647,245	697,245
Amortisation and impairment			
At 1 October 2019	50,000	489,218	539,218
Amortisation charged	-	3,370	3,370
At 31 March 2020	50,000	492,588	542,588
Carrying amount			
At 31 March 2020	-	148,559	148,559
At 1 October 2019	-	158,027	158,027

12 Taxation

	2020 £	2019 £
UK corporation tax on profits for the period	-	-
Deferred tax		
Origination and reversal of timing differences	29,627	58,145
Changes in tax rates	-	-
Adjustment in respect of prior periods	(19,576)	(11,815)
Total deferred tax	10,051	46,330
Total tax charge	10,051	46,330

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard tax rate as follows:

	2020 £	2019 £
Group Profit/(loss) on ordinary activities before taxation	12,545	(1,604,833)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00%	2,384	(304,918)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	354	1,570
Change in Corporation Tax Rate	(14,080)	2,833
Permanent differences	-	15,064
Deferred tax adjustments in respect of prior years	(19,576)	(11,815)
Depreciation add back	1,791	3,500
Amortisation add back	-	7,697
Group relief allowed	19,076	332,399

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

Current tax charge for the year		(10,051)	46,330
13	Tangible fixed assets		
		Fixtures, Fittings & Equipment £	Motor Vehicles £ Total £
Cost			
At 1 October 2019		890,191	72,529
Additions		35,059	-
At 31 March 2020		925,250	72,529
Depreciation			
At 1 October 2019		701,152	32,444
Depreciation charged		36,137	10,145
At 31 March 2020		737,289	42,589
Net Book Value			
At 31 March 2020		187,961	29,940
At 1 October 2019		189,039	40,085

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% held	Direct	Indirect
JJKAF Limited	UK	Ordinary	100		
Kids Allowed Academy Ltd	UK	Ordinary	100		
KWKAR Limited	UK	Ordinary	100		

15 Investments	2020	2019
	£	£
Investments in subsidiaries	3	3

16 Stocks

Stocks	2020	2019
	£	£
Raw materials and consumables	-	60,008

17 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade Debtors	26,580	38,017
Amounts due by parent and fellow subsidiary undertakings	7,269,920	12,230,627
Other Debtors	95,436	548
Prepayments and accrued income	622,213	483,489
	8,014,149	12,752,681

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

18 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank Loans and overdrafts	-	340,308
Obligations under finance leases	-	6,645
Trade creditors	162,193	592,211
Amounts owed to group undertakings	8,485,962	12,863,524
Taxation and social security	80,133	84,282
Other creditors	-	474,735
Accruals and deferred income	1,315,422	171,323
	<u>10,043,710</u>	<u>14,533,028</u>

19 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	525,243	300,000
Obligations under finance leases	-	22,060
	<u>525,243</u>	<u>322,060</u>

20 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 (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	28,183	33,133
Tax losses	(138,491)	(130,795)
	<u>(110,308)</u>	<u>(97,662)</u>
Movements in the year:		2020 £
Liability / (Asset) at 1 October 2019		(97,662)
Charge to profit or loss		(10,051)
Subsidiaries consolidated within group		(2,595)
Liability / (Asset) at 31 March 2020		<u>(110,308)</u>

KIDS ALLOWED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE 6 MONTH PERIOD ENDED 21 MARCH 2020

21 Share Capital

	2020 £	2019 £
Ordinary share capital issued and fully paid		
25,000 "A" Ordinary shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

22 Ultimate controlling party

The ultimate parent company is Kids Planet Day Nurseries Limited. Copies of the financial statements of Kids Planet Day Nurseries Limited may be obtained from Companies House.