

5575797

Q Day Nurseries Limited

Report and financial statements 2011

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Q Day Nurseries Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

These financial statements are for the fifteen months ended 31 December 2011. The prior year results were for the 12 months ended 30 September 2010 and so are not directly comparable. The prior year comparatives have also not been audited as the company was exempt from having to be audited prior to the acquisition under section 477 of the Companies Act 2006.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 418A of the Companies Act 2006.

Activities

The company's activity is the provision of childcare services.

On 30 June 2011 100% of the issued share capital was acquired by Busy Bees Holdings Limited.

Review of developments

Turnover for the period was £1,915,226 (2010 £1,287,882) and EBITDA (being gross profit less administrative expenses before depreciation and amortisation) for the same year was £117,908 (2010 loss of £828). Loss after tax for the year was £3,200 (2010 £21,683). The directors are satisfied with the financial position, shareholders' deficit of £419,783 at 31 December 2011 (2010 £416,583).

Going concern

In preparation of the financial statements, the directors have made an assessment of 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 are set out above.

The company is financed through an inter-company facility with Busy Bees Holdings Limited, its parent company. The group's forecasts show that the group should be able to operate within the level of its current financing arrangements.

Based on the continuing occupancy levels which have not been materially affected by the economic position, the directors have prepared detailed forecasts which show that the group is able to operate within its existing financing arrangements and is not expecting to breach any banking covenants within twelve months from the date of approval of the financial statements for the year ended 31 December 2011.

As such, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

Directors

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

J Stafford – resigned 30 June 2011

D Mason – resigned 30 June 2011

J Dunham (formerly J Campbell) – resigned 30 June 2011

D Dunham – resigned 30 June 2011

S A Irons – appointed 30 June 2011

J B Woodward – appointed 30 June 2011

L C Woodward – appointed 30 June 2011

M J Randles – appointed 30 June 2011

Q Day Nurseries 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 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

The directors appointed Deloitte LLP as the company's auditors during the year Deloitte LLP are deemed to be reappointed under s487(2) of the Companies Act 2006

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



S A Irons

Director

26 September 2012

St Matthews
Shaftsbury Drive
Burntwood
Staffordshire
WS7 9QP

Q Day Nurseries 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 period. 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 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 judgements and accounting estimates that are reasonable and prudent, and
- state whether applicable accounting standards have been followed, 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 Q DAY NURSERIES LIMITED

We have audited the financial statements of Q Day Nurseries Limited for the 15 months ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

With respect to the prior year comparatives, the audit evidence available to us was limited because the company was exempt from an audit under section 477 of the Companies Act 2006 and it was not possible to obtain access to the accounting records due to the change in ownership of the company. As we were unable to access the company's records, we were unable to obtain sufficient appropriate audit evidence in respect of the company's affairs as at 30 September 2010 and consequently of the loss for the 15 months ended 31 December 2011.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSY BEES NURSERIES LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the company's affairs as at 30 September 2010 and the loss for the 15 month ended 31 December 2011 described above

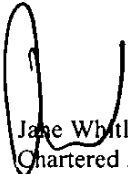
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the comparatives for that year



Jane Whitlock (senior statutory auditor) for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK
26 September 2012

Q Day Nurseries Limited

Profit and loss account 15 months ended 31 December 2011

	Note	15 months ended 31 December 2011 £	Year ended 30 September 2010 (unaudited) £
Turnover	2	1,915,226	1,287,882
Cost of sales		(1,187,549)	(818,467)
Gross profit		727,677	469,415
Administrative expenses		(627,409)	(490,341)
Operating profit/ (loss)	3	100,268	(20,926)
Loss on sale of fixed assets		(60,976)	-
Interest receivable and similar income	7	2,917	-
Interest payable and similar charges	8	(60,742)	(757)
Loss on ordinary activities before taxation		(18,533)	(21,683)
Tax on profit on ordinary activities	9	15,333	-
Loss on ordinary activities after taxation for the financial year	16	(3,200)	(21,683)

All amounts relate to continuing activities

There are no recognised gains and losses for the current or preceding financial periods other than those recognised in profit and loss account

Q Day Nurseries Limited

Balance sheet As at 31 December 2011

		31 December 2011 £	30 September 2010 (unaudited) £
	Note		
Fixed assets			
Tangible assets	10	191,509	58,437
		<u>191,509</u>	<u>58,437</u>
Current assets			
Debtors	11	136,810	135,691
Cash at bank and in hand		(74,496)	1,397
		<u>(62,314)</u>	<u>137,088</u>
Creditors: amounts falling due within one year	12	<u>(673,606)</u>	<u>(612,018)</u>
Net current liabilities		<u>(611,292)</u>	<u>(474,930)</u>
Total assets less current liabilities		<u>(419,783)</u>	<u>(416,583)</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	(420,783)	(417,583)
Total equity shareholders' deficit	17	<u>(419,783)</u>	<u>(416,583)</u>
Capital employed		<u>(419,783)</u>	<u>(416,583)</u>

These financial statements of Q Day Nurseries Limited, registered number 05575797, were approved by the Board of Directors on 26 September 2012 and were signed on its behalf by



S A Irons
Director

Q Day Nurseries Limited

Notes to the financial statements 15 months ended 31 December 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

In preparation of the financial statements, the directors have made an assessment of 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 in the Director's report.

The company is financed through an inter-company facility with Busy Bees Holdings Limited, its parent company, and there is an unlimited cross guarantee between the company and other group companies in respect of bank borrowings. The group's forecasts show that the group should be able to operate within the level of its current financing arrangements.

As such, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

Reporting period

These financial statements are for the fifteen months ended 31 December 2011.

The comparative figures for the profit and loss account, reconciliation of shareholders' funds and related notes are for the 12 months ended 30 September 2010.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Government grants

Government grants (primarily the Early Years Grant) are credited to the profit and loss account as the related expenditure is incurred.

Related party transactions

The company is exempt from the requirements of FRS 8 "Related Party Disclosures" to disclose transactions with other group undertakings as it is a wholly owned subsidiary and its financial statements are included in the consolidated financial statements of an intermediate parent company and those financial statements are available from the company's registered office.

Notes to the financial statements (continued)
15 months ended 31 December 2011

Tangible fixed assets

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:

Costs of leasehold buildings includes directly attributable finance costs

Rental charges on operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

The upfront building costs in relation to supported operating leases are shown within prepayments and accrued income to reflect the substance of these transactions

Current 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

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 in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group'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.

A net deferred tax asset is regarded as recoverable and therefore 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

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.

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

3. Operating profit/ (loss)

	15 months ended 31 December 2011 £	Year ended 30 September 2010 (unaudited) £
Operating profit is after charging		
Depreciation on owned tangible fixed assets	17,640	20,098

The audit fee of £2,500 (2010 £nil) was borne by another group company. Non-audit fees for the company were £nil (2010 £nil).

4. Staff numbers and costs

	Number of employees 15 months ended 31 December 2011	Year ended 30 September 2010 (unaudited)
Administrative and management	6	6
Nursery staff	50	56
	<u>56</u>	<u>62</u>

The aggregate payroll costs of these persons were as follows

	31 December 2011 £	30 September 2010 (unaudited) £
Wages and salaries	1,002,672	712,325
Social security costs	66,455	51,535
	<u>1,069,127</u>	<u>764,360</u>

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

6. Directors' remuneration

	31 December 2011 £	30 September 2010 (unaudited) £
Directors' remuneration	26,827	35,000
	<u>26,827</u>	<u>35,000</u>

The Directors' remuneration for the financial period 2011 relates to remuneration for directors who resigned during the year. The other directors neither received nor waived any remuneration in the current year in respect of services to this company. The other directors employed during the year were remunerated by a fellow group company.

	December 2011 No.	September 2010 No.
Number of directors	<u>4</u>	<u>4</u>

7. Interest receivable and similar income

	31 December 2011 £	30 September 2010 (unaudited) £
Interest due from group undertaking	2,917	-
	<u>2,917</u>	<u>-</u>

8. Interest payable and similar charges

	31 December 2011 £	30 September 2010 (unaudited) £
Interest on late payment of PAYE	2,632	-
Directors' loan account	45,312	-
Interest due to group undertakings	12,798	-
On bank loan and overdraft	-	757
	<u>60,742</u>	<u>757</u>

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

9. Taxation

(i) Analysis of (credit)/charge for the year

	31 December 2011 £	30 September 2010 (unaudited) £
UK Corporation tax and group relief		
Current tax on profit for the year	-	-
Deferred tax credit for the period	(16,436)	-
Effect of change in rate of corporation tax	1,102	-
	<u>(15,333)</u>	<u>-</u>
Tax (credit)/charge on ordinary activities	<u>(15,333)</u>	<u>-</u>

(ii) Factors affecting the tax (credit)/charge for the year

The current tax credit for the year differs from that resulting from applying the standard effective rate of corporation tax in the UK of 26.8% (2010: 28%). The differences are explained below

	31 December 2011 £	30 September 2010 (unaudited) £
Current tax reconciliation		
Loss on ordinary activities before tax	18,533	21,683
Current tax credit at 26.8% (2010: 28%)	4,967	6,071
Effect of		
Items not (deductible) / taxable for tax purposes	(3,681)	-
Depreciation in excess of capital allowances	(21,070)	-
Other short term timing differences	(4,608)	-
Movement in losses	24,392	(6,071)
Current tax charge	<u>-</u>	<u>-</u>

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

9. Taxation (continued)

The 2011 Budget introduced a reduction in the main rate of corporation tax from 27% to 26% effective 1 April 2011, and a further reduction from 26% to 25% effective 1 April 2012. The changes were substantively enacted on 29 March 2011 and 5 July 2011 respectively. Since the reduction to 26% was effective 1 April 2011, a hybrid rate of current tax of 26.8% applies during the 15 month period ended 31 December 2011.

Subsequently, the 2012 Budget introduced a further reduction in the main rate of corporation tax from 26% to 24% effective 1 April 2012, and further reductions to 23% effective 1 April 2013 and 22% effective 1 April 2014. The reduction to 24% was substantively enacted on 29 March 2012 and supersedes the reduction to 25% announced previously in the 2011 Budget. The reduction in the rate to 23% was substantively enacted on 3 July 2012 however the reduction to 22% has yet to be substantively enacted. These rate reductions will be reflected in future periods as appropriate.

At 31 December 2011 the company has an unrecognised deferred tax asset of £82,485 (2010: £110,265) in respect of losses. This has not been recognised as the asset is not expected to reverse in the foreseeable future.

10. Tangible fixed assets

	Nursery and office equipment £
Cost	
At 1 October 2010	135,887
Additions	211,778
Disposals	(152,209)
At 31 December 2011	195,456
Accumulated depreciation	
At 1 October 2010	77,540
Charge for the period	17,640
Disposals	(91,233)
At 31 December 2011	3,947
Net book value	
At 31 December 2011	191,509
At 30 September 2010	58,347

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

11. Debtors

	31 December 2011 £	30 September 2010 (unaudited) £
Trade debtors	2,004	94,272
Amounts owed by group undertakings	93,503	-
Prepayments, accrued income and other debtors	25,970	41,419
Deferred tax (note 13)	15,333	-
	<u>136,810</u>	<u>135,691</u>

12. Creditors: amounts falling due within one year

	31 December 2011 £	30 September 2010 (unaudited) £
Trade creditors	114,267	119,459
Amounts owed to group undertakings	410,248	-
Other taxes and social security	9,259	45,472
Other creditors	40,044	447,087
Accruals and deferred income	99,788	-
	<u>673,606</u>	<u>612,018</u>

There is no repayment date attached to the amount owed to group undertakings. The interest rate on the loan is 6.44%.

Prior to the acquisition of the Company by Busy Bees Holdings Limited in June 2011, the Company held a directors loan which was used to provide more cash to aid working capital. The balance of the loan as at 30 September 2010 was £264k and is disclosed in other creditors above. This loan was repaid in full by the Company when it was acquired by Busy Bees Holdings Limited.

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

13. Deferred taxation asset

	Deferred taxation £
At 1 October 2010	-
Credit to the profit and loss account for the period (note 9)	15,333
	<u>15,333</u>
At 31 December 2011 (note 11)	<u>15,333</u>

The deferred tax asset recognised at 25% (2010 27 25%) is as follows

	31 December 2011 £	30 September 2010 (unaudited) £
Difference between accumulated depreciation and capital allowances	11,034	-
Other short term timing differences	4,299	-
	<u>15,333</u>	<u>-</u>

Unrecognised deferred tax assets are disclosed in note 9

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly the reduction to 25% has been taken into account when measuring the deferred tax assets and liabilities at 31 December 2011.

As the future rate reductions to 22% were not substantively enacted at the balance sheet date, they have not been reflected in the deferred tax figures at 31 December 2011. These future tax rate reductions are expected to have a similar impact on the financial statements as disclosed in the current period, however the actual impact will be dependent on the company's deferred tax position at that time.

14. Called up share capital

	31 December 2011 £	30 September 2010 (unaudited) £
Called up, allotted and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Q Day Nurseries Limited

Notes to the financial statements (continued) 15 months ended 31 December 2011

15. Reserves

	Profit and loss account £
At 1 October 2010	(417,583)
Loss for the financial period	(3,200)
At 31 December 2011	<u>(420,783)</u>

16. Reconciliation of movement in shareholders' funds

	15 months ended 31 December 2011 £	Year ended 30 September 2010 (unaudited) £
Loss for the financial period	(3,200)	(21,683)
Net addition to shareholders' deficit	(3,200)	(21,683)
Opening shareholders' deficit	(416,583)	(394,900)
Closing shareholders' deficit	<u>(419,783)</u>	<u>(416,583)</u>

17. Commitments

- (a) The company had no capital commitments at 31 December 2011 (2010 £nil)
- (b) The company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	31 December 2011 £	30 September 2010 (unaudited) £	31 December 2011 £	30 September 2010 (unaudited) £
Operating leases which expire				-
Less than one year	-	-	-	-
Two to five years	-	-	2,765	-
Over five years	228,308	216,520	-	-
	<u>228,308</u>	<u>216,520</u>	<u>2,765</u>	<u>-</u>

Q Day Nurseries Limited

Notes to the financial statements (continued) **15 months ended 31 December 2011**

18. Controlling parties

The company's immediate parent undertaking is Busy Bees Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The smallest group in which the company is consolidated is that headed by Busy Bees Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Busy Bees Holdings Limited can be obtained from the company's registered address. The largest group in which the results of the company are consolidated is that head by Knowledge Universe Co-operatief U A. Knowledge Universe Co-operatief U A is the ultimate controlling party whose address is Prins Bernardplein 200, 1097 JB Amsterdam, Netherlands.