

Company Registration No. 05575797

Q Day Nurseries Limited

Annual Report and Financial Statements

For the year ended 31 December 2013

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Q Day Nurseries Limited

Annual Report and Financial Statements For the year ended 31 December 2013

Contents	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Q Day Nurseries Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013

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

Review of developments

Turnover for the year was £1,889,281 (2012 £1,728,071) Profit for the financial year was £107,413 (2012 profit £153,430) The directors are satisfied with the financial position, shareholders' deficit of £158,940 at 31 December 2013 (2012 £266,353)

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 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 finance risks are mitigated by the receipt of ongoing support from Busy Bees Holdings Limited, as evidenced by a letter of financial support. This support will enable Q Day Nurseries Limited to pay its debts as and when they fall due and is provided for a period of not less than twelve months from the date of approval of the financial statements for the year ended 31 December 2013

The group's forecasts show that the group should be able to operate within the level of its current financing arrangements for the foreseeable future

After considering the above factors 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 was as follows

S A Irons

J B Woodward

M J Randles

C Phizacklea

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

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

23 April 2014

Busy Bees
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 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 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 subject to any material departures disclosed and explained in the financial statements, 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 year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 17. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Q DAY NURSERIES LIMITED (continued)

Matters on which we are required to report by exception

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

- 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, or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the directors report



William Smith (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK
23 April 2014

Q Day Nurseries Limited

Profit and Loss Account For the year ended 31 December 2013

		Year ended 31 December 2013 £	Year ended 31 December 2012 £
	Note		
Turnover	2	1,889,281	1,728,071
Cost of sales		(1,132,407)	(1,057,087)
Gross profit		<u>756,874</u>	<u>670,984</u>
Administrative expenses		(585,245)	(543,508)
Operating profit	3	<u>171,629</u>	<u>127,476</u>
Interest receivable and similar income	6	9,308	5,518
Interest payable and similar charges	7	(27,690)	(27,390)
Profit on ordinary activities before taxation		<u>153,247</u>	<u>105,604</u>
Tax on profit on ordinary activities	8	(45,834)	47,826
Profit for the financial year	15	<u><u>107,413</u></u>	<u><u>153,430</u></u>

All amounts relate to continuing activities

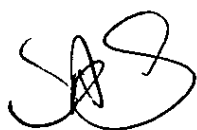
There are no recognised gains and losses for the current or preceding financial periods other than those recognised in profit and loss account and accordingly, no separate statement of total recognised gains and losses has been prepared

Q Day Nurseries Limited

Balance Sheet As at 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
Fixed assets			
Tangible assets	9	255,066	341,549
		<u>255,066</u>	<u>341,549</u>
Current assets			
Cash at bank and in hand		12,181	-
Debtors	10	315,218	228,926
		<u>327,399</u>	<u>228,926</u>
Creditors: amounts falling due within one year	11	<u>(741,405)</u>	<u>(836,828)</u>
Net current liabilities		<u>(414,006)</u>	<u>(607,902)</u>
Net liabilities		<u>(158,940)</u>	<u>(266,353)</u>
Capital and reserves			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	<u>(159,940)</u>	<u>(267,353)</u>
Total shareholders' deficit	15	<u>(158,940)</u>	<u>(266,353)</u>

The financial statements of Q Day Nurseries Limited, (registered number 05575797) were approved by the Board of Directors and authorised for issue on 23 April 2014, and were signed on its behalf by



S A Irons
Director

Q Day Nurseries Limited

Notes to the Financial Statements For the year ended 31 December 2013

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 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 finance risks are mitigated by the receipt of ongoing support from Busy Bees Holdings Limited, as evidenced by a letter of financial support. This support will enable Q Day Nurseries Limited to pay its debts as and when they fall due and is provided for a period of not less than twelve months from the date of approval of the financial statements for the year ended 31 December 2013.

The group's forecasts show that the group should be able to operate within the level of its current financing arrangements for the foreseeable future.

After considering the above factors 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 year ended 31 December 2013.

The comparative figures for the profit and loss account, the balance sheet, reconciliation of shareholders' funds and related notes are for the year ended 31 December 2012.

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 cash flow statement.

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 wholly owned 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.

Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

1. 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:

Nursery and office equipment	over four to five years
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Leases

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.

Taxation

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.

2. 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.

Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

3. Operating profit

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Operating profit is after charging		
Depreciation on owned tangible fixed assets	108,535	77,350
Hired of other assets – operating leases	3,052	2,610
Hire of land and buildings – operating leases	258,476	245,521

The audit fee of £2,680 (2012 £2,600) was borne by another group company. Non-audit fees for the company were £nil (2012 £nil).

4. Staff numbers and costs

	Number of employees	
	Year ended 31 December 2013	Year ended 31 December 2012
Administrative and management	6	6
Nursery staff	59	56
	65	62

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Wages and salaries	933,241	878,977
Social security costs	49,314	44,852
Pension	1,101	305
	983,656	924,134

Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

5. Directors' remuneration

The directors were remunerated by a fellow group company

The directors neither received nor waived any remuneration in the current and previous years in respect of services to this company. The directors employed during the year were remunerated by a fellow group company.

	Year ended 31 December 2013 No.	Year ended 31 December 2012 No.
Number of directors	<u>4</u>	<u>4</u>

6. Interest receivable and similar income

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Interest due from group undertaking	<u>9,308</u>	<u>5,518</u>
	<u>9,308</u>	<u>5,518</u>

7. Interest payable and similar charges

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Interest due to group undertakings	<u>27,690</u>	<u>27,390</u>
	<u>27,690</u>	<u>27,390</u>

Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

8. Taxation

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

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
UK Corporation tax and group relief		
Current tax on profit for the year	-	-
Deferred tax charge/(credit) for the year	41,492	(52,246)
Effect of change in rate of corporation tax	2,157	4,420
Adjustment in respect of prior year	2,185	-
Total deferred tax charge/(credit) (Note 12)	45,834	(47,826)
Tax charge/(credit) on ordinary activities	45,834	(47,826)

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

The current tax charge for the year differs from that resulting from applying the standard effective rate of corporation tax in the UK of 23.25% (2012 24.5%) The differences are explained below

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Current tax reconciliation		
Profit on ordinary activities before taxation	153,247	105,604
Current tax charge at 23.25% (2012 24.5%)	35,625	25,873
Effect of		
Items not deductible for tax purposes	8,011	574
Depreciation in excess of/(less than) capital allowances	5,892	(1,268)
Other short term timing differences	(1,506)	-
Movement in losses	(45,879)	(25,179)
Group relief received for nil consideration	(2,143)	-
Current tax charge	-	-

The reduction in the UK tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective 1 April 2014) and to 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. The rate of 20% is used for the calculation of the deferred tax position at 31 December 2013 in the basis that it will materially reverse after 1 April 2015.

Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

9. Tangible fixed assets

	Nursery and office equipment £
Cost	
At 1 January 2013	422,846
Additions	22,052
	<hr/>
At 31 December 2013	444,898
	<hr/>
Accumulated depreciation	
At 1 January 2013	81,297
Charge for the year	108,535
	<hr/>
At 31 December 2013	189,832
	<hr/>
Net book value	
At 31 December 2013	255,066
	<hr/>
At 31 December 2012	341,549
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Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

10. Debtors: amounts falling due within one year

	31 December 2013 £	31 December 2012 £
Trade debtors	2,142	3,399
Amounts owed by group undertakings	214,274	84,108
Prepayments, accrued income and other debtors	81,477	78,260
Deferred tax (note 12)	17,325	63,159
	<u>315,218</u>	<u>228,926</u>

11. Creditors: amounts falling due within one year

	31 December 2013 £	31 December 2012 £
Bank overdraft	-	66,255
Trade creditors	98,088	86,835
Amounts owed to group undertakings	419,416	468,245
Other taxes and social security	10,010	10,975
Other creditors	81,432	67,556
Accruals and deferred income	132,459	136,962
	<u>741,405</u>	<u>836,828</u>

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

Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

12. Deferred taxation asset

	Deferred taxation £
At 31 December 2012	63,159
Credit to the profit and loss account for the year (note 8)	(45,834)
	<hr/>
At 31 December 2013 (note 10)	17,325
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The deferred tax asset recognised at 20% (2012 23%) is as follows

	31 December 2013 £	31 December 2012 £
Losses	1,499	50,244
Difference between accumulated depreciation and capital allowances	13,680	8,961
Other short term timing differences	2,146	3,954
	<hr/>	<hr/>
	17,325	63,159
	<hr/>	<hr/>

13. Called-up share capital

	31 December 2013 £	31 December 2012 £
Called-up, allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

14. Reserves

	Profit and loss account £
At 1 January 2013	(267,353)
Profit for the financial year	107,413
	<hr/>
At 31 December 2013	(159,940)
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Q Day Nurseries Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2013

15. Reconciliation of movement in shareholders' funds

	31 December 2013 £	31 December 2012 £
Profit for the financial year	107,413	153,430
Net reduction in shareholders' deficit	107,413	153,430
Opening shareholders' deficit	(266,353)	(419,783)
Closing shareholders' deficit	(158,940)	(266,353)

16. Commitments

- (a) The company had no capital commitments at 31 December 2013 (2012 £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 2013 are £135,000,000 (2012 £74,089,000)
- (c) The company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	31 December 2013 £	31 December 2012 £	31 December 2013 £	31 December 2012 £
Operating leases which expire				
Less than one year	-	-	-	-
Two to five years	-	-	2,765	2,765
Over five years	236,801	228,308	-	-
	<u>236,801</u>	<u>228,308</u>	<u>2,765</u>	<u>2,765</u>

17. 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 and largest group into which the company is consolidated is the group headed by Eagle Target Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Eagle Target Limited can be obtained from the company's registered address. The ultimate controlling party is the Ontario Teachers Pension Plan.