

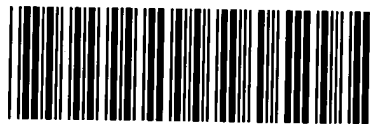
Company Registration No. 06067989

Squiggles Childcare Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

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Squiggles Childcare Limited

Annual report and financial statements For the year ended 31 December 2021

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Squiggles Childcare Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021. The comparatives are for the 18 months ended 31 December 2020 and so the results are not directly comparable.

Business review and future developments

The Company's principal activity was the provision of childcare services, until the trade and net assets were transferred on 31 December 2020, following the year end the company has ceased to trade. The Company is part of the Busy Bees group of companies ('the group').

On 31 December 2020, 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 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. Following the year end the has ceased to trade and it is expected that this company will eventually be dissolved.

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 to the financial statements arose as a result of ceasing to apply the going concern basis.

Proposed dividend

The directors have not declared or paid a dividend in the current year (18 months ended 31 December 2020: £1,076,331). A dividend of £56,500 was paid to the former directors prior to the sale of the company to Busy Bees Holdings Limited on 29 January 2020. No further dividends have been declared or paid since the year end to the date of signing the Company Annual Report and Financial Statements.

Directors

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

M G P Davies
M P Muller
C J Creaser

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



M P Muller

Director

16 August 2022

St Matthews
Shaftsbury Drive
Burntwood
Staffordshire
WS7 9QP
United Kingdom

Squiggles Childcare 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 judgements 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.

Squiggles Childcare Limited

Statement of comprehensive income For the year ended 31 December 2021

		Year ended 31 December 2021 £'000	18 months ended 31 December 2020 £'000
	Note		
Turnover	4	-	1,477
Other income	5	-	107
Cost of sales		-	(899)
		<hr/>	<hr/>
Gross profit		-	685
Administrative expenses		-	(379)
		<hr/>	<hr/>
Operating result/profit		-	306
Interest receivable		-	3
Interest payable		-	(8)
		<hr/>	<hr/>
Result/profit before taxation	5	-	301
Taxation	7	-	(43)
		<hr/>	<hr/>
Total result/profit for the year/period		-	258
		<hr/>	<hr/>

All amounts relate to discontinued activities.

There are no gains and losses for the financial year/period other than as stated in the statement of comprehensive income above.

The notes on pages 6 to 12 form part of these financial statements.

Squiggles Childcare Limited

Balance sheet

As at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Debtors	8	1	1
		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called-up share capital	9	1	1
		<u>1</u>	<u>1</u>
Total shareholder's funds		<u>1</u>	<u>1</u>

For the year ended 31 December 2021 the company was entitled to the exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements of Squiggles Childcare Limited (registered number 06067989) were approved by the board of directors and authorised for issue on 16 August 2022. They were signed on its behalf by:



M P Muller
Director

The notes on pages 6 to 12 form part of these financial statements.

Squiggles Childcare Limited

Statement of changes in equity For the year ended 31 December 2021

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 30 June 2019 (unaudited)	2	875	877
Profit and total comprehensive income for the financial period	-	258	258
Shares cancelled (note 9)	(2)	-	(2)
Dividends paid pre acquisition (note 9)	-	(57)	(57)
Dividends paid on transfer of trade and assets (note 9)	-	(1,076)	(1,076)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	-	-
Result and total comprehensive income for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2021	<hr/>	<hr/>	<hr/>

The notes on pages 6 to 12 form part of these financial statements.

Squiggles Childcare Limited

Notes to the financial statements For the year ended 31 December 2021

1. Basis of preparation

Squiggles Childcare Limited ("the company") is a company incorporated in England, United Kingdom under the Companies Act 2006. The company is a private company limited by shares and is registered in Scotland. 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.

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 has ceased to trade, the directors have prepared the financial statements on a basis other than a going concern. No adjustments to the financial statements arose as a result of ceasing to apply the going concern basis.

Transfer of trade and assets

On 31 December 2020, 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 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. Following the year end the has ceased to trade and it is expected that this company will eventually be dissolved.

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.

Squiggles Childcare Limited

Notes to the financial statements

For the year ended 31 December 2021 (continued)

2. Accounting policies (continued)

Financial instruments (continued)

- (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.
- (f) 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.

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.

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.

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:

Leasehold improvements	over the period of the lease
Nursery and office equipment	over four to five 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.

Squiggles Childcare Limited

Notes to the financial statements For the year ended 31 December 2021 (continued)

2. Accounting policies (continued)

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to income or to assets. Grants relating to assets are deferred and credited to the income statement as the related asset is depreciated. Grants relating to income are recognised as income over the period in which the related costs are recognised. Grants relating to income are recognised in revenue if they relate to Government grant income directly linked to the provision of nursery services, representing additional government funding to supplement the amounts paid by parents. Otherwise grants related to income are recognised as to offset the costs they are intended to compensate.

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.

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 statement of comprehensive income over the term of such instruments at a constant rate on the carrying amount.

Squiggles Childcare Limited

Notes to the financial statements For the year ended 31 December 2021 (continued)

2. Accounting policies (continued)

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 period. Differences between contributions payable in the period 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.

There were no critical accounting judgements or 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.

5. Profit before taxation

	Year ended 31 December 2021 £'000	18 months ended 31 December 2020 £'000
Profit before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	-	19
Hire of land & buildings – operating leases	-	176
Employee related COVID-19 Government grant income	-	(107)
COVID-19 costs	-	2
	<hr/>	<hr/>

The financial statements are unaudited in the current year so no audit fees payable (2020: audit fees of £3,000 payable were borne by another group company).

Other operating income classified as "Employee related COVID-19 Government Grant income" which relates to income received to offset employment costs predominantly where employees were unable to work due to the COVID-19 pandemic. These amounts have been netted against the employment costs disclosed in Note 6.

During the prior year, COVID-19 costs of £2,000 relate to one off costs of additional health and safety items required in order for the business to operate safely. There were no costs in the current year.

Squiggles Childcare Limited

Notes to the financial statements For the year ended 31 December 2021 (continued)

6. Staff numbers and costs

The average monthly number of persons employed during the period was:

	Number of employees	
	Year ended 31 December 2021 No.	18 months ended 31 December 2020 No.
Administrative and management	-	2
Nursery staff	-	21
	<u>-</u>	<u>23</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021 £'000	18 months ended 31 December 2020 £'000
Wages and salaries	-	757
Social security costs	-	68
Pension	-	9
	<u>-</u>	<u>834</u>

During the year, no director received any emoluments (18 months ended 31 December 2020: £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. All staff costs, including pension costs, are paid by a fellow group company. These costs are then recharged to the company through intercompany recharges.

7. Taxation

	Year ended 31 December 2021 £'000	18 months ended 31 December 2020 £'000
Current tax (see note below)		
Current tax on profit for the period/year	-	43
Adjustment in respect of prior periods	-	-
Total current tax charge	<u>-</u>	<u>43</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax charge	<u>-</u>	<u>43</u>

Squiggles Childcare Limited

Notes to the financial statements For the year ended 31 December 2021 (continued)

7. Taxation (continued)

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

	Year ended 31 December 2021 £'000	18 months ended 31 December 2020 £'000
Result/profit before tax	-	301
Tax on result/profit at standard UK corporation tax rate of 19% (18 months ended 31 December 2020: 19%)	-	57
Effect of:		
- Expenses not deductible for tax purposes	-	(14)
Total tax charge for the year/period	-	43

Factors that may affect future tax charges

The standard rate of tax applied to the reported profit is 19% (18 months ended 31 December 2020: 19%).

In the budget post year end, the Government announced an increase in corporation tax rate from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021.

8. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	1	1

There is no repayment date attached to the amount due from group undertakings. There was no interest charged on the amounts due from group undertakings (2020: 0%).

9. Called up share capital

	2021 £	2020 £
Authorised, Called up, allotted and fully paid		
80 ordinary shares of £0.01 each	1	1
3 A ordinary shares of £0.01 each	-	-
10 B ordinary shares of £0.01 each	-	-
10 C ordinary shares of £0.01 each	-	-
0 E ordinary shares of £0.01 each	-	-
	1	1

On 30 December 2019, the company cancelled the 200,000 E ordinary shares and the paid up amounts were repaid to the holders of those shares. On 31 December 2020 as part of the group reorganisation exercise the company carried out a capital reduction as above.

The directors have not declared or paid a dividend in the current year (18 months ended 31 December 2020: £11,573.35 per share in respect of ordinary shares, B ordinary shares and C ordinary shares, equating to £1,076,331).

A dividend of £56,500 was paid to the former directors prior to the sale of the company to Busy Bees Holdings Limited on 29 January 2020.

Squiggles Childcare Limited

Notes to the financial statements

For the year ended 31 December 2021 (continued)

10. Commitments

- (a) The company had no capital commitments at 31 December 2021 (31 December 2020: £nil).
- (b) The company had no future minimum lease payments under non-cancellable operating leases for land and buildings.

11. 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 period to which they relate. The charge in the year to was £nil (18 months ended 31 December 2020: £9,000).

12. 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.

During the prior period the former directors received dividends of £56,500 prior to the sale of the company to Busy Bees Holdings Limited on 29 January 2020.

13. 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 the United Kingdom and registered at St Matthews, Shaftsbury 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.