

Company Registration No. 06387888

Gurgle Limited

Annual Report and Financial Statements

For the 52 weeks ended 25 March 2023

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Gurgle Limited

Annual report and financial statements For the 52 weeks ended 25 March 2023

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Gurgle Limited

Annual report and financial statements For the 52 weeks ended 25 March 2023

Officers and professional advisers

Directors

A Cook
L Medini

Company Secretary

L Medini

Registered Office

Westside 1, London Road
Hemel Hempstead
Hertfordshire
HP3 9TD

Bankers

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London

Gordon Brothers
Lilly House, 13 Hanover Square,
Mayfair,
London
W1S 1HN

Auditor

Gravita Audit Ltd
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Gurgle Limited

Directors' report

The Directors present their annual report together with the audited financial statements and auditor's report for the 52 weeks ended 25 March 2023. This Directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006. Accordingly, no Strategic Report has been prepared.

Activities and prospects

The principal activity of Gurgle Limited ('the Company') in previous financial years was the licencing of its brand name through a profit share agreement. This brand is used in the publication of a social networking website for mothers and expectant parents, on the URL www.gurgle.com. Media space was sold to selected business partners, using third party agencies in many cases but also through direct sales. The website offered expert opinions, weekly editorials on current affairs and emailed content relating to competitions and other items deemed to be of interest to its target audience.

The website was managed by a third party, the same third party that operated Gurgle magazine. Gurgle magazine, a parenting magazine, was available in Mothercare stores, other stores, and by subscription. The Company generated revenues through a profit share agreement.

The Company did not trade during the financial period. The Company is not expected to trade in the foreseeable future.

Gurgle Limited forms part of the Mothercare plc group of companies (the 'Group').

Review of the period

The Company did not trade during the current financial period.

Directors

The Directors who served throughout the period are listed on page 1.

Directors' indemnities

Directors' and officers' indemnity insurance has been purchased by the ultimate parent Company during the period.

Dividends

The Directors do not recommend the payment of a dividend (2022: £nil).

Financial risk management objectives and policies

Due to the size and nature of the Company the Directors have considered that the Company is not exposed to any significant financial risks including credit, liquidity and cash flow risks.

Events after the balance sheet date

There were no events after the balance sheet date.

Gurgle Limited

Directors' report (continued)

Going concern

As this entity is a non-trading, the Directors' assessment on whether this entity is a going concern, is linked to the overall going concern assessment of the Mothercare plc group.

The Group's business activities and the factors likely to affect its future development are set out in the principal risks and uncertainties section of the Group financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial review.

With recent increases in interest rates, the interest rate on this loan is currently approximately 19.2%, which coupled with the extended time to return to pre-pandemic retail sales levels, particularly in our Middle Eastern markets, means the Board's current forecasts for continuing operations show the Group may require waivers to future periods' covenant tests. Our current lender remains supportive, whilst we complete our financing activities to repay all or part of the facility. The consolidated and Company financial information has been prepared on a going concern basis. When considering the going concern assumption, the Directors of the Group have reviewed a number of factors, including the Group's trading results and its continued access to sufficient borrowing facilities against the Group's latest forecasts and projections, comprising.

- A Base Case forecast; and
- A Sensitised forecast, which applies sensitivities against the Base Case for reasonably possible adverse variations in performance, reflecting the ongoing volatility in our key markets.

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the Group's ability to successfully complete its financing activities to repay all or part of the existing facility and that our current lenders would continue to support us in the event we required waivers to future period's covenant test, whilst doing so.

The Sensitised scenario assumes the following additional key assumption:

- A significant reduction in global retail sales, which may result from subdued, consumer confidence or disposable income or through store closures or weaker trading in our markets, throughout the remainder of FY24 and FY25.

The Board's confidence in the Group's Base Case forecast, which indicates the Group will operate with sufficient cash balances, provided appropriate covenant waivers on our current facility were agreed, if required prior to the completion of our funding activities, and the Group's proven cash management capability, supports our preparation of the financial statements on a going concern basis.

However, if trading conditions were to deteriorate beyond the level of risk applied in the Sensitised forecast, or the Group was unable to execute further cost or cash management programmes, the Group would at certain points of the working capital cycle require covenant waivers based on its current facilities agreement. If this scenario were to crystallise, the Group would need to renegotiate with its lender in order to secure waivers to potential covenant breaches and consequential cash remedies or have completed the current negotiations to amend the covenants or secure additional funding. Therefore, we have concluded that, in this situation, there is a material uncertainty in relation to the continued support of our existing lender, if required, that casts significant doubt that the Group will be able to operate as a going concern without potential waivers or revised/ new financing facilities.

Since the Company is reliant on the wider Group for financial support, we have therefore concluded that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Gurgle Limited

Directors' report (continued)

Disclosure of information to auditor


Each of the persons who is a director of the Company at the date when this report was approved confirms that:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make them aware of any relevant audit information (as defined) 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 section 418(2) of the Companies Act 2006.

Gravita Audit Ltd will continue as auditor of the Company following completion of the 25 March 2023 audit.

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

DocuSigned by:

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L Medini

Company Secretary

16 November 2023

Gurgle 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 101 'Reduced Disclosure Framework'. 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 judgments 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.

Independent auditor's report to the members of Gurgle Limited

Opinion

We have audited the financial statements of Gurgle Limited (the 'company') for the 52 weeks ended 25 March 2023, which comprise the income statement, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 March 2023 and of its profit or loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to Note 1 in the financial statements, which indicates that the Company is reliant on support from its ultimate parent, Mothercare plc. Note 1 explains the board's considerations over going concern, including factors that may affect the future prospects and trading activities of the wider group.

The Group's forecasts indicate that waivers may be required in respect of future periods' covenant tests. The cause of this is largely to do with high interest rates coupled with extended time needed to return to pre-pandemic retail sales levels. As a result, the Board is considering financing activities to repay all or part of the current facility. These events or conditions, along with other matters as set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosure in financial statements or, if such disclosures are inadequate, to modify the auditor's opinion.

Independent auditor's report to the members of Gurgle Limited

Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for financial statements' section of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditor's report to the members of Gurgle Limited

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the digital marketing and advertising sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation,;
- data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

Independent auditor's report to the members of Gurgle Limited

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisor

We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.


Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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Jan Charlesworth (Senior Statutory Auditor)
For and on behalf of Gravita Audit Limited
Finsgate 5-7 Cranwood Street
London
EC1V 9EE
16 November 2023

Gurgle Limited
Income statement
For the 52 weeks ended 25 March 2023

	Notes	52 weeks ended 25 March 2023 £	52 weeks ended 26 March 2022 £
Administrative expenses		30,190	-
Profit on ordinary activities before taxation	3	30,190	-
Tax on profit on ordinary activities	4	(5,736)	-
Profit for the period		<u>24,454</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

All results relate to discontinued operations.

There are no recognised gains or losses in either period other than those as above. Accordingly, no statement of total comprehensive income is presented.


Gurgle Limited**Balance Sheet
As at 25 March 2023**

	Notes	As at 25 March 2023 £	As at 26 March 2022 £
Current assets			
Debtors	5	-	3,811
		<u>-</u>	<u>3,811</u>
Creditors: amounts falling due within one year	6	(1,039,785)	(1,168,050)
Net current liabilities		<u>(1,039,785)</u>	<u>(1,064,239)</u>
Net liabilities		<u>(1,039,785)</u>	<u>(1,064,239)</u>
Capital and reserves			
Called-up share capital	7	100,000	100,000
Share premium account		900,000	900,000
Capital contribution reserve	9	107,617	107,617
Profit and loss account		<u>(2,147,402)</u>	<u>(2,171,856)</u>
Shareholders' deficit		<u>(1,039,785)</u>	<u>(1,064,239)</u>

The financial statements of Gurgle Limited (registered number 06387888) were approved by the Board of Directors and authorised for issue on 16 November 2023.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Directors

DocuSigned by:

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A Cook
Director

Gurgle Limited**Statement of changes in equity
For the 52 weeks ended 25 March 2023**

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total £
Balance at 28 March 2021	100,000	900,000	107,617	(2,171,856)	(1,064,239)
Loss for the period	—	—	—	—	—
Total comprehensive expense for the period	—	—	—	—	—
Balance at 26 March 2022	<u>100,000</u>	<u>900,000</u>	<u>107,617</u>	<u>(2,171,856)</u>	<u>(1,064,239)</u>

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total £
Balance at 26 March 2022	100,000	900,000	107,617	(2,171,856)	(1,064,239)
Profit for the period	—	—	—	24,454	24,454
Total comprehensive income for the period	—	—	—	—	—
Balance at 25 March 2023	<u>100,000</u>	<u>900,000</u>	<u>107,617</u>	<u>(2,147,402)</u>	<u>(1,039,785)</u>

Gurgle Limited

Notes to the financial statements For the 52 weeks ended 25 March 2023

1. Accounting policies

Gurgle Limited is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

These financial statements are presented in UK pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The accounting policies have been applied consistently throughout the 52 weeks ended 25 March 2023 and the preceding 52 weeks ended 26 March 2022.

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The principal accounting policies are described below.

Basis of accounting

The financial statements have been prepared on the historical cost basis and on a going concern basis in accordance with the rationale set out in the going concern statement in the Directors' report.

This Company is a qualifying entity, and these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council ('FRC'). As permitted by FRS 101, the Company has taken advantage of the disclosure exemption available under the standard in relation to presentation of a cash flow statement, financial instruments, standards not yet effective, the disclosure of related party transactions with other wholly owned members of the group headed by Mothercare Plc. The Group financial statements of Mothercare plc are available to the public and can be obtained as set out in Note 10.

Going concern

As this entity is a non-trading company, the Directors' assessment on whether this entity is a going concern, is linked to the overall going concern assessment of the Mothercare plc group.

The Group's business activities and the factors likely to affect its future development are set out in the principal risks and uncertainties section of the Group financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial review.

With recent increases in interest rates, the interest rate on this loan is currently approximately 19.2%, which coupled with the extended time to return to pre-pandemic retail sales levels, particularly in our Middle Eastern markets, means the Board's current forecasts for continuing operations show the Group may require waivers to future periods' covenant tests. Our current lender remains supportive, whilst we complete our financing activities to repay all or part of the facility. The consolidated and Company financial information has been prepared on a going concern basis. When considering the going concern assumption, the Directors of the Group have reviewed a number of factors, including the Group's trading results and its continued access to sufficient borrowing facilities against the Group's latest forecasts and projections, comprising.

- A Base Case forecast; and
- A Sensitised forecast, which applies sensitivities against the Base Case for reasonably possible adverse variations in performance, reflecting the ongoing volatility in our key markets.

Gurgle Limited

Notes to the financial statements For the 52 weeks ended 25 March 2023

1. Accounting policies (continued)

Going concern (continued)

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the Group's ability to successfully complete its financing activities to repay all or part of the existing facility and that our current lenders would continue to support us in the event we required waivers to future period's covenant test, whilst doing so.

The Sensitised scenario assumes the following additional key assumption:

- A significant reduction in global retail sales, which may result from subdued, consumer confidence or disposable income or through store closures or weaker trading in our markets, throughout the remainder of FY24 and FY25.

The Board's confidence in the Group's Base Case forecast, which indicates the Group will operate with sufficient cash balances, provided appropriate covenant waivers on our current facility were agreed, if required prior to the completion of our funding activities, and the Group's proven cash management capability, supports our preparation of the financial statements on a going concern basis.

However, if trading conditions were to deteriorate beyond the level of risk applied in the Sensitised forecast, or the Group was unable to execute further cost or cash management programmes, the Group would at certain points of the working capital cycle require covenant waivers based on its current facilities agreement. If this scenario were to crystallise, the Group would need to renegotiate with its lender in order to secure waivers to potential covenant breaches and consequential cash remedies or have completed the current negotiations to amend the covenants or secure additional funding. Therefore, we have concluded that, in this situation, there is a material uncertainty in relation to the continued support of our existing lender, if required, that casts significant doubt that the Group will be able to operate as a going concern without potential waivers or revised/ new financing facilities.

Since the Company is reliant on the wider Group for financial support, we have therefore concluded that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Gurgle Limited

Notes to the financial statements For the 52 weeks ended 25 March 2023

1. Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Amounts owed to group undertakings

Amounts owed to group undertakings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Amounts owed to group undertakings are derecognised when the obligation under the liability is discharged, cancelled or expires.

Gurgle Limited

Notes to the financial statements For the 52 weeks ended 25 March 2023

2. Critical accounting judgements and key sources of estimation uncertainty:

Key sources of estimation uncertainty

No key sources of estimation uncertainty were identified as applicable to this Company.

3. Profit on ordinary activities before taxation

Auditor's remuneration, for the audit of the Company's financial statements has been borne by Mothercare Plc. There were no non-audit services during the period (2022: none).

The Company had no staff in the current or prior period.

4. Tax on profit on ordinary activities

The charge for taxation on loss on ordinary activities comprises:

	52 weeks ended 25 March 2023 £	52 weeks ended 26 March 2022 £
Current tax:		
UK corporation tax charge at 19% (2022: 19%)	5,736	—
Deferred Tax:		
Current period credit	—	—
Adjustment in respect of prior periods	—	—
	—	—
Total charge for taxation on profit for the period	5,736	—

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 19% (2022: 19%).

The charge for the period can be reconciled to the profit for the period before taxation per the consolidated income statement as follows:

	52 weeks ended 25 March 2023 £	52 weeks ended 26 March 2022 £
Profit on ordinary activities before tax	30,190	—
Tax charge at 19% (2022: 19%)	5,736	—
Total tax charge for the period	5,736	—

Gurgle Limited

Notes to the financial statements For the 52 weeks ended 25 March 2023

4. Tax on profit on ordinary activities (continued)

The Company has taken a prudent approach given the uncertainty around future profitability of the Company and as at the balance sheet date deferred tax assets of £56,345 (2022: £56,345) on short term temporary differences have not been recognised.

At the balance sheet date, the Company has unused tax losses of £297,024 (2022: £297,024) available for offset against future profits from the same trade. No deferred tax asset has been recognised for any losses (2022: £nil).

5. Debtors

	As at 25 March 2023 £	As at 26 March 2022 £
Other debtors	-	3,811
	<u>-</u>	<u>3,811</u>

6. Creditors: amounts falling due within one year

	As at 25 March 2023 £	As at 26 March 2022 £
Amounts due to parent company	1,034,049	1,034,050
Accruals	-	34,000
Current tax liabilities	5,736	-
	<u>1,039,785</u>	<u>1,068,050</u>

Amounts due to parent company are repayable on demand. No interest is payable on outstanding balances.

7. Called-up share capital

	As at 25 March 2023 £	As at 26 March 2022 £
Authorised, called-up, allotted and fully paid:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

8. Capital contribution

This is a non-trading, non-financing amount which arose on transactions with another Group company, and for this reason it has been deemed appropriate to show as a reserve movement rather than as an income for the Company.

Gurgle Limited

Notes to the financial statements For the 52 weeks ended 25 March 2023

9. Ultimate controlling party

The Company's immediate parent company is Mothercare Global Brand Limited. The Company's ultimate parent Company and controlling entity is Mothercare plc.

The largest and smallest group in which the results of the Company are consolidated is that headed by Mothercare plc, a Company incorporated in the United Kingdom and registered in England and Wales, with registered office address: Westside 1, London Road, Hemel Hempstead, Hertfordshire, HP3 9TD. Copies of these consolidated financial statements may be obtained from:
www.mothercareplc.com/financial-reports.

10. Related party transactions

No related party transactions were noted in the current or prior period which requires additional disclosure.

11. Events after the balance sheet date

There were no events after the balance sheet date.