

Company Registration No. 07617797 (England and Wales)

LITTLE BEARS 2 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
PAGES FOR FILING WITH REGISTRAR

LB GROUP
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LITTLE BEARS 2 LIMITED

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LITTLE BEARS 2 LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		158,089		174,935
Current assets					
Debtors	6	787,863		694,359	
Cash at bank and in hand		57,079		106,412	
		<u>844,942</u>		<u>800,771</u>	
Creditors: amounts falling due within one year	7	<u>(212,017)</u>		<u>(235,067)</u>	
Net current assets			<u>632,925</u>		<u>565,704</u>
Total assets less current liabilities			<u>791,014</u>		<u>740,639</u>
Creditors: amounts falling due after more than one year	8		(20,032)		(30,097)
Provisions for liabilities			<u>(6,181)</u>		<u>(10,674)</u>
Net assets			<u><u>764,801</u></u>		<u><u>699,868</u></u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss reserves			<u>764,701</u>		<u>699,768</u>
Total equity			<u><u>764,801</u></u>		<u><u>699,868</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 March 2024 and are signed on its behalf by:

Mr J L O'Neill
Director

Company Registration No. 07617797

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Little Bears 2 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 22 The Ongar Business Centre, The Gables, Fyfield Road, Ongar, England. CM5 0GA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have prepared detailed financial projections for the period ending 31 December 2023. These projections are based on assumptions that the directors considered to be reasonable and achievable.

After considering the above matters and current trading, the directors believe that the group will have adequate resources to meet its liabilities as they fall due and so to operate as a going concern for at least twelve months following the date of approval of these financial statements. The directors therefore consider it adequate to continue to apply the going concern basis for the preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business.

Turnover is attributable to the provision of nursery and children day care services.

Income is recognised in the period to which it relates with consideration made for accrued and deferred income where applicable based on inflows of money.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over 20 years
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition 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 reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residue value are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of assets. See note 5 for the carrying amount of the plant and machinery and note 1.3 for the useful economic lives for each class of assets.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of group loans

The Company makes an estimate of the recoverable value of group loans. When assessing the impairment of group loans management considers whether there is objective evidence of impairment including:

- economic or legal reasons relating to the debtors financial difficult; and
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those asset.

3 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	6,960	4,060
	<u> </u>	<u> </u>

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

4 Employees

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

	2023 Number	2022 Number
Total	27	25

5 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 July 2022	190,523	77,496	105,408	9,185	382,612
Additions	-	384	-	-	384
At 30 June 2023	190,523	77,880	105,408	9,185	382,996
Depreciation and impairment					
At 1 July 2022	47,630	65,729	88,319	5,999	207,677
Depreciation charged in the year	9,526	2,998	4,272	434	17,230
At 30 June 2023	57,156	68,727	92,591	6,433	224,907
Carrying amount					
At 30 June 2023	133,367	9,153	12,817	2,752	158,089
At 30 June 2022	142,893	11,767	17,089	3,186	174,935

6 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	8,898	11,654
Amounts owed by group undertakings	739,348	648,017
Other debtors	39,617	34,688
	787,863	694,359

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	10,000	10,000
Trade creditors	44,845	91,970
Corporation tax	20,231	-
Other taxation and social security	4,696	11,967
Other creditors	132,245	121,130
	<u>212,017</u>	<u>235,067</u>

8 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans	<u>20,032</u>	<u>30,097</u>

Included in bank loans totals of £30,032 (2022: £40,097) (£10,000 included within one year) (2022: £10,000 included within one year) is the government business bounce back loan scheme. The loan is repayable over a term of 5 years and is secured by the Government guarantees.

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	<u>6,181</u>	<u>10,674</u>
Movements in the year:		2023 £
Liability at 1 July 2022		10,674
Credit to profit or loss		<u>(4,493)</u>
Liability at 30 June 2023		<u>6,181</u>

The deferred tax liability set out above relates to accelerated capital allowances.

LITTLE BEARS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid of £1 each	100	100	100	100

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Richard Lane
Statutory Auditor:	LB Group Limited (Stratford)

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023	2022
£	£
324,000	444,000

13 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14 Parent company

The financial statements of the company are consolidated in the financial statements of Little Bear's Daycare Group Limited. These consolidated accounts are available from its register office Suite 22, The Ongar business centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA

Little Bear's Daycare Group Limited is the smallest and largest group of undertakings to consolidate these financial statements.

In the opinion of the directors, there is no ultimate controlling party.

15 Guarantees

The company has entered into a cross guarantee that secures loans in the parent company, as well as other group companies, by way of a fixed and floating charge over all of its trade and assets.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.