

Company Registration No. 08025712 (England and Wales)

LITTLE BEAR'S DAYCARE GROUP LTD
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

LB GROUP
Number One
Vicarage Lane
Stratford
London
England
E15 4HF

LITTLE BEAR'S DAYCARE GROUP LTD

COMPANY INFORMATION

Directors	Mr J L O'Neill Mrs S S O'Neill
Company number	08025712
Registered office	Suite 22 The Ongar Business Centre The Gables Fyfield Road Ongar England CM5 0GA
Auditor	LB Group (Stratford) Number One Vicarage Lane Stratford London England E15 4HF

LITTLE BEAR'S DAYCARE GROUP LTD

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LITTLE BEAR'S DAYCARE GROUP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Principle Activity

The principal activity of the company is the provision of childcare for children aged 3-months to 5-years old via four daycare nursery settings; and the out-of-school care of children aged 4 to 11-years, located in east and central London.

Review Of Business

The group generated a profit for the period of £203,982 (2020: £408,321) before tax.

The company's key financial performance indicators during the period were as follows:

	2021	2020
Turnover	£2,926,113	£2,934,394
EBITDA	£473,632	£616,927
Group Capacity (Nursery)	326	275
Group Occupancy	51%	52%

Occupancy increased by 51 FTE places (Full-Time Equivalent), due to expansion, and despite consumer hesitation to return, after the initial COVID closure, end-march to June 2020, and subsequent COVID lockdown restrictions, the business broadly maintained the annual FTE occupancy percentage, whilst increasing the overall FTE occupancy from 143 to 167 places.

Review of the year

The impact of COVID-19 was felt throughout the year. The Early Years sector was reopened in June 2020 with some of the initial restrictions eased slightly as the Government sought to restart the economy. However, in November 2020, the Government introduced a second lockdown period; a Tier 3 lockdown in December; and a Tier 4 lockdown in January 2021, to restrict the growing number of cases, once again closing down large areas of the economy.

As a result, and having been closed from late March until June 1, 2020, the start of this financial year opened with many parents working from home, and we saw a significant reduction in our nursery occupancy levels which persisted until the spring of 2021 when signs of an increase in demand were seen.

Our out-of-school business, Little Bear's Club, having closed in March 2020, reopened for the September 2020 academic year, however, occupancy was reduced by 70% against pre-COVID levels. By Late October 2020, it became apparent that the out-of-school market had been fatally impacted by COVID with our occupancy reducing daily. In November, it was apparent that the business was unsustainable, and the decision was made to permanently close Little Bear's Club from December 2020.

LITTLE BEAR'S DAYCARE GROUP LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Principle Risks

Regulatory compliance: as with all Early Years settings, nurseries are registered with and regulated by Ofsted and compliance with their framework is paramount. We have internal control procedures to ensure compliance with the regulations and we have an independent annual inspection of each nursery's practice to ensure that the relevant regulations are adhered to.

Debt Management: the group utilises accounting software to generate invoices and monitor account receivables and has implemented robust credit control systems to allow continual monitoring of balances, allowing necessary proactive action to be taken when debts remain unpaid.

Liquidity: the group prepares monthly and quarterly management accounts to monitor cash flow, debt service cover and our financial performance on an ongoing basis.

The group has sufficient resources available, and the directors have prepared forecasts for the next 12 months. The forecast indicates that this will continue to be the case, with cashflows sufficient for the group to meet its banking covenants and commitments as they fall due.

Pricing: nurseries in London operate in a competitive sector with exposure to cost increases from regulatory driven inflation, in the form of national living wage rate increases; business rates increase; and CPI/RPI inflation generally which will result from the financial exposure from COVID. Due to COVID, we did not increase our fee structure in July 2020, upon our annual review; however, we shall implement a 5% rise in July 2021. The group makes every effort to balance fee increases with commercial pressures in a competitive marketplace, to ensure that the group continues to deliver a high quality and good value service.

The group continues to focus on delivering high quality environments for the children in our care, which in turn supports growth in revenue and occupancy. Management has a rolling investment programme for improving and upgrading its settings as well as ensuring compliance with regulatory requirements.

Future Outlook

In August 2020, we reopened a nursery that was extended, by over 100%, and fully refurbished internally, and externally. This has generated growth in this setting which we forecast to increase in the next financial year. This coupled with the continued success of our established nurseries and growth in our most recent nursery provides an opportunity for growth.

On behalf of the board

Mr J L O'Neill
Director
17 March 2022

LITTLE BEAR'S DAYCARE GROUP LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company and group continued to be that of properties holding and head office function for a nursery group companies.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J L O'Neill
Mrs S S O'Neill

Auditor

LB Group (Stratford) were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr J L O'Neill
Director

17 March 2022

LITTLE BEAR'S DAYCARE GROUP LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LITTLE BEAR'S DAYCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LITTLE BEAR'S DAYCARE GROUP LTD

Opinion

We have audited the financial statements of Little Bear's Daycare Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2021 and of the group's 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.

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.

Conclusions relating 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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections 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.

LITTLE BEAR'S DAYCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LITTLE BEAR'S DAYCARE GROUP LTD

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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.

LITTLE BEAR'S DAYCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LITTLE BEAR'S DAYCARE GROUP LTD

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

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 engagement partner ensured that 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 investment management 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, environmental and health and safety legislation;
- 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:

- 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 were indicative of potential bias; and
- 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;
- enquiring of management as to actual and potential litigation and claims.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LITTLE BEAR'S DAYCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LITTLE BEAR'S DAYCARE GROUP LTD

Other matters which we are required to address

The comparatives figures for the year ended 30 June 2020 were not audited.

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.

Richard Lane (Senior Statutory Auditor)

For and on behalf of

17 March 2022

Chartered Accountants

Statutory Auditor

LITTLE BEAR'S DAYCARE GROUP LTD

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	2,926,113	2,934,394
Cost of sales		(1,691,719)	(1,579,882)
Gross profit		1,234,394	1,354,512
Administrative expenses		(1,269,159)	(1,262,999)
Other operating income		185,974	359,664
Exceptional item	4	63,461	-
Operating profit	5	214,670	451,177
Interest receivable and similar income	9	106,342	12,352
Interest payable and similar expenses	10	(117,030)	(55,208)
Profit before taxation		203,982	408,321
Tax on profit	11	(132,400)	(20,526)
Profit for the financial year		71,582	387,795
Profit for the financial year is attributable to:			
- Owners of the parent company		108,285	418,144
- Non-controlling interests		(36,703)	(30,349)
		71,582	387,795

LITTLE BEAR'S DAYCARE GROUP LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	£	£
Profit for the year	71,582	387,795
Other comprehensive income		
Revaluation of tangible fixed assets	530,600	20,000
Tax relating to other comprehensive income	(165,934)	(776)
Other comprehensive income for the year	364,666	19,224
Total comprehensive income for the year	436,248	407,019
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	472,951	437,368
- Non-controlling interests	(36,703)	(30,349)
	436,248	407,019

LITTLE BEAR'S DAYCARE GROUP LTD

GROUP BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	7,814,834		7,365,968	
Investments	14	117,365		11,189	
		<u>7,932,199</u>		<u>7,377,157</u>	
Current assets					
Stocks	16	148,787		245,395	
Debtors	17	490,880		576,958	
Cash at bank and in hand		571,437		714,315	
		<u>1,211,104</u>		<u>1,536,668</u>	
Creditors: amounts falling due within one year	18	<u>(1,386,412)</u>		<u>(1,505,334)</u>	
Net current (liabilities)/assets			<u>(175,308)</u>		<u>31,334</u>
Total assets less current liabilities			<u>7,756,891</u>		<u>7,408,491</u>
Creditors: amounts falling due after more than one year	19		<u>(4,027,413)</u>		<u>(4,316,128)</u>
Provisions for liabilities					
Deferred tax liability	21	<u>520,480</u>	<u>(520,480)</u>	<u>249,613</u>	<u>(249,613)</u>
Net assets			<u><u>3,208,998</u></u>		<u><u>2,842,750</u></u>
Capital and reserves					
Called up share capital	23		2		2
Revaluation reserve			1,313,297		948,631
Profit and loss reserves			<u>2,094,806</u>		<u>2,056,521</u>
Equity attributable to owners of the parent company			<u>3,408,105</u>		<u>3,005,154</u>
Non-controlling interests			<u>(199,107)</u>		<u>(162,404)</u>
			<u><u>3,208,998</u></u>		<u><u>2,842,750</u></u>

Mr J L O'Neill
Director

LITTLE BEAR'S DAYCARE GROUP LTD

COMPANY BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	6,656,499		6,160,834	
Investments	14	385		385	
		<u>6,656,884</u>		<u>6,161,219</u>	
Current assets					
Debtors	17	1,132,387		2,240,125	
Cash at bank and in hand		52,707		67,321	
		<u>1,185,094</u>		<u>2,307,446</u>	
Creditors: amounts falling due within one year	18	<u>(2,229,310)</u>		<u>(2,905,724)</u>	
Net current liabilities			<u>(1,044,216)</u>		<u>(598,278)</u>
Total assets less current liabilities			5,612,668		5,562,941
Creditors: amounts falling due after more than one year	19		(3,867,413)		(4,066,128)
Provisions for liabilities					
Deferred tax liability	21	<u>408,282</u>		<u>218,785</u>	
			<u>(408,282)</u>		<u>(218,785)</u>
Net assets			<u>1,336,973</u>		<u>1,278,028</u>
Capital and reserves					
Called up share capital	23		2		2
Revaluation reserve			1,313,297		948,631
Profit and loss reserves			23,674		329,395
Total equity			<u>1,336,973</u>		<u>1,278,028</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £235,721 (2020 - £171,592 profit).

The financial statements were approved by the board of directors and authorised for issue on 17 March 2022 and are signed on its behalf by:

Mr J L O'Neill
Director

Company Registration No. 08025712

LITTLE BEAR'S DAYCARE GROUP LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Revaluation reserves	Profit and loss reserves	Non-controlling interest	controlling interest	Total
Notes	£	£	£	£	£	£
Balance at 1 July 2019	2	929,407	1,646,377	2,575,786	(132,055)	2,443,731
Year ended 30 June 2020:						
Profit for the year	-	-	418,144	418,144	(30,349)	387,795
Other comprehensive income:						
Revaluation of tangible fixed assets	-	20,000	-	20,000	-	20,000
Tax relating to other comprehensive income	-	(776)	-	(776)	-	(776)
Total comprehensive income for the year	-	19,224	418,144	437,368	(30,349)	407,019
Dividends	12	-	(8,000)	(8,000)	-	(8,000)
Balance at 30 June 2020	2	948,631	2,056,521	3,005,154	(162,404)	2,842,750
Year ended 30 June 2021:						
Profit for the year	-	-	108,285	108,285	(36,703)	71,582
Other comprehensive income:						
Revaluation of tangible fixed assets	-	530,600	-	530,600	-	530,600
Tax relating to other comprehensive income	-	(165,934)	-	(165,934)	-	(165,934)
Total comprehensive income for the year	-	364,666	108,285	472,951	(36,703)	436,248
Dividends	12	-	(70,000)	(70,000)	-	(70,000)
Balance at 30 June 2021	2	1,313,297	2,094,806	3,408,105	(199,107)	3,208,998

LITTLE BEAR'S DAYCARE GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

		Share capital	Revaluation reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2019		2	929,407	165,802	1,095,211
Year ended 30 June 2020:					
Profit for the year		-	-	171,593	171,593
Other comprehensive income:					
Revaluation of tangible fixed assets		-	20,000	-	20,000
Tax relating to other comprehensive income		-	(776)	-	(776)
Total comprehensive income for the year		-	19,224	171,593	190,817
Dividends	12	-	-	(8,000)	(8,000)
Balance at 30 June 2020		2	948,631	329,395	1,278,028
Year ended 30 June 2021:					
Loss for the year		-	-	(235,721)	(235,721)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	530,600	-	530,600
Tax relating to other comprehensive income		-	(165,934)	-	(165,934)
Total comprehensive income for the year		-	364,666	(235,721)	128,945
Dividends	12	-	-	(70,000)	(70,000)
Balance at 30 June 2021		2	1,313,297	23,674	1,336,973

LITTLE BEAR'S DAYCARE GROUP LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	30	293,085	1,095,126
Interest paid		(117,030)	(55,208)
Income taxes paid		(20,001)	(19,377)
Net cash inflow from operating activities		156,054	1,020,541
Investing activities			
Purchase of tangible fixed assets		(80,497)	(4,025,074)
Proceeds on disposal of tangible fixed assets		9,611	46,800
Interest received		167	598
Net cash used in investing activities		(70,719)	(3,977,676)
Financing activities			
Repayment of borrowings		(3,716)	(709)
Repayment of bank loans		(141,868)	2,499,311
Payment of finance leases obligations		(12,629)	(13,749)
Dividends paid to equity shareholders		(70,000)	(8,000)
Net cash (used in)/generated from financing activities		(228,213)	2,476,853
Net decrease in cash and cash equivalents		(142,878)	(480,282)
Cash and cash equivalents at beginning of year		714,315	393,168
Cash and cash equivalents at end of year		571,437	714,315

LITTLE BEAR'S DAYCARE GROUP LTD

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31				
		(474,622)		1,355,671	
Interest paid		(117,012)		(55,205)	
Net cash (outflow)/inflow from operating activities		(591,634)		1,300,466	
Investing activities					
Purchase of tangible fixed assets		(3,860)		(3,462,326)	
Proceeds on disposal of tangible fixed assets		6,311		-	
Interest received		101		240	
Dividends received		800,000		-	
Net cash generated from/(used in) investing activities		802,552		(3,462,086)	
Financing activities					
Repayment of borrowings		(1,035)		580	
Repayment of bank loans		(141,868)		2,249,311	
Payment of finance leases obligations		(12,629)		(13,749)	
Dividends paid to equity shareholders		(70,000)		(8,000)	
Net cash (used in)/generated from financing activities		(225,532)		2,228,142	
Net (decrease)/increase in cash and cash equivalents		(14,614)		66,522	
Cash and cash equivalents at beginning of year		67,321		799	
Cash and cash equivalents at end of year		52,707		67,321	

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Little Bear's Daycare Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Suite 22 The Ongar Business Centre, The Gables, Fyfield Road, Ongar, England, CM5 0GA.

The group consists of Little Bear's Daycare Group Limited and all of its subsidiaries.

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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Little Bear's Daycare Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

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

In preparing these projections, the directors have also considered the potential continued impact of COVID-19. As at the date of approving these financial statements the company's trading volumes and occupancy levels have not been significantly affected by the pandemic.

After considering the above matters, current trading and the availability of the bank finance, 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.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 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.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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:

Freehold land and buildings	No depreciation
Leasehold land and buildings	5% straight line
Leasehold improvements	5% straight line, 8% straight line & 20% reducing balance
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	25% straight line
Motor vehicles	33% 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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 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.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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.

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 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 group'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 if, and only if, there is 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.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

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

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 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.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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 1.4 for the useful economic lives for each class of assets.

Impairment of fixed assets

The company makes an estimate of the recoverable value of fixed assets. When assessing impairment of fixed assets management considered factors including the current Real Estate market values and any indication of deterioration due to the physical conditions of the assets.

Impairment of stock

The company tests annually whether stock has suffered any impairment in accordance with the accounting policy stated. When stock is tested annually for impairment certain judgements are made which are based on an age, breeding records and / or training records, the intended usage and other developments which have taken place which may have caused the deterioration to the health of the horses.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Provision of childcare services	2,857,953	2,812,040
Rental and management charges	68,158	100,133
	<u>2,926,113</u>	<u>2,934,394</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	166	1,166
Grants received	185,974	305,391
	<u></u>	<u></u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Exceptional item

	2021	2020
	£	£
Expenditure		
Debt write off	(63,461)	-
	<u>(63,461)</u>	<u>-</u>

The exceptional item is in relation to a historic write off of debt.

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	1,306
Government grants	(185,974)	(305,391)
Depreciation of owned tangible fixed assets	133,570	134,348
Depreciation of tangible fixed assets held under finance leases	19,050	19,050
Operating lease charges	40,005	59,250
	<u></u>	<u></u>

6 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,500	-
Audit of the financial statements of the company's subsidiaries	26,500	-
	<u>30,000</u>	<u>-</u>

7 Employees

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

Group	2020	Company	2020
2021		2021	
Number	Number	Number	Number
91	93	8	7
<u></u>	<u></u>	<u></u>	<u></u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,578,267	1,499,792	146,961	168,007
Social security costs	112,402	95,744	24,466	19,017
Pension costs	77,221	22,500	57,540	2,522
	<u>1,767,890</u>	<u>1,618,036</u>	<u>228,967</u>	<u>189,546</u>

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	19,200	19,200
Company pension contributions to defined contribution schemes	50,000	-
	<u>69,200</u>	<u>19,200</u>

9 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	166	1,166
Income from fixed asset investments		
Income from participating interests - associates	106,176	11,186
Total income	<u>106,342</u>	<u>12,352</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>166</u>	<u>1,166</u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	114,099	53,427
Other finance costs:		
Interest on finance leases and hire purchase contracts	2,900	1,780
Other interest	31	1
	<u>117,030</u>	<u>55,208</u>

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	27,482	17,917
Adjustments in respect of prior periods	(15)	1,791
	<u>27,467</u>	<u>19,708</u>
Deferred tax		
Origination and reversal of timing differences	104,933	818
	<u>132,400</u>	<u>20,526</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	<u>203,982</u>	<u>408,321</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	38,757	77,581
Tax effect of expenses that are not deductible in determining taxable profit	31,351	47,243
Gains not taxable	(20,173)	(2,111)
Tax effect of utilisation of tax losses not previously recognised	(7,842)	-
Unutilised tax losses carried forward	-	7,844
Group relief	-	1,710
Permanent capital allowances in excess of depreciation	(14,609)	(110,767)
Under/(over) provided in prior years	(15)	(1,792)
Deferred taxation adjustment	104,931	818
	<u>132,400</u>	<u>20,526</u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Revaluation of property	165,934	776
	<u>165,934</u>	<u>776</u>

12 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	70,000	4,000
Interim paid	-	4,000
	<u>70,000</u>	<u>8,000</u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

13	Tangible fixed assets								
Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total	
	£	£	£	£	£	£	£	£	
Cost or valuation									
At 1 July 2020	6,037,959	190,523	925,015	391,792	495,516	36,870	143,908	8,221,583	
Additions	-	-	11,711	9,887	51,315	7,584	-	80,497	
Disposals	(6,311)	-	-	-	-	-	(3,300)	(9,611)	
Revaluation	530,600	-	-	-	-	-	-	530,600	
At 30 June 2021	6,562,248	190,523	936,726	401,679	546,831	44,454	140,608	8,823,069	
Depreciation and impairment									
At 1 July 2020	-	28,578	164,431	212,716	360,284	25,953	63,653	855,615	
Depreciation charged in the year	-	9,526	30,011	45,756	42,464	5,143	19,720	152,620	
At 30 June 2021	-	38,104	194,442	258,472	402,748	31,096	83,373	1,008,235	
Carrying amount									
At 30 June 2021	6,562,248	152,419	742,284	143,207	144,083	13,358	57,235	7,814,834	
At 30 June 2020	6,037,959	161,945	760,584	179,076	135,232	10,917	80,255	7,365,968	

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost or valuation						
At 1 July 2020	6,037,959	55,120	6,126	13,057	109,818	6,222,080
Additions	-	1,745	-	2,115	-	3,860
Disposals	(6,311)	-	-	-	-	(6,311)
Revaluation	530,600	-	-	-	-	530,600
At 30 June 2021	6,562,248	56,865	6,126	15,172	109,818	6,750,229
Depreciation and impairment						
At 1 July 2020	-	17,570	1,921	6,831	34,925	61,247
Depreciation charged in the year	-	9,162	1,052	3,219	19,050	32,483
At 30 June 2021	-	26,732	2,973	10,050	53,975	93,730
Carrying amount						
At 30 June 2021	6,562,248	30,133	3,153	5,122	55,843	6,656,499
At 30 June 2020	6,037,959	37,550	4,206	6,226	74,893	6,160,834

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Motor vehicles	55,844	74,894	55,844	74,894

Depreciation of £19,050 (2020: £19,050) was charged in the year in respect of these assets.

Land and buildings have been revalued by the directors on an open market value basis.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2021 £	2020 £
Cost	4,870,542	4,870,542
Accumulated depreciation	-	-
Carrying value	4,870,542	4,870,542

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	385	385
Investments in associates		117,365	11,189	-	-
		<u>117,365</u>	<u>11,189</u>	<u>385</u>	<u>385</u>

Movements in fixed asset investments Group

Shares in group undertakings and participating interests £

Cost or valuation

At 1 July 2020	11,189
Valuation changes	106,176

At 30 June 2021	<u>117,365</u>
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Carrying amount

At 30 June 2021	<u>117,365</u>
At 30 June 2020	<u>11,189</u>

Movements in fixed asset investments Company

Shares in group undertakings £

Cost or valuation

At 1 July 2020 and 30 June 2021	385
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Carrying amount

At 30 June 2021	<u>385</u>
At 30 June 2020	<u>385</u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Little Bear's Nursery School Limited	United Kingdom	Subsidiary	100.00
Little Bear's 2 Limited	United Kingdom	Subsidiary	100.00
Little Bear's 3 Limited	United Kingdom	Subsidiary	100.00
Little Bear's 4 Limited	United Kingdom	Subsidiary	100.00
Little Bear's 5 Limited	United Kingdom	Subsidiary	100.00
Little Bear's 6 Limited	United Kingdom	Subsidiary	100.00
Little Bear's Club Limited	United Kingdom	Subsidiary	100.00
Tower Hill Equestrian Limited	United Kingdom	Subsidiary	76.00

16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	148,787	245,395	-	-

17 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	213,540	252,550	34,740	91,149
Corporation tax recoverable	13,582	21,048	-	-
Amounts owed by group undertakings	-	-	1,031,297	1,975,127
Amounts owed by undertakings in which the company has a participating interest	16,510	124,944	16,510	124,944
Other debtors	9,058	7,901	3,729	3,183
Prepayments and accrued income	238,190	170,515	46,111	45,722
	490,880	576,958	1,132,387	2,240,125

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans		335,205	243,724	245,205	243,724
Obligations under finance leases	20	56,780	14,043	56,780	14,043
Other borrowings		139	3,855	-	1,008
Trade creditors		101,079	102,907	20,325	10,608
Amounts owed to group undertakings		-	-	1,771,229	2,368,338
Other taxation and social security		35,783	29,061	12,843	11,841
Deferred income		162,804	54,030	-	-
Other creditors		325,500	528,916	103,308	253,762
Accruals and deferred income		369,122	528,798	19,620	2,400
		<u>1,386,412</u>	<u>1,505,334</u>	<u>2,229,310</u>	<u>2,905,724</u>

Creditors due within one year include bank loans of £245,205 (2020: £243,724). The bank loan has been secured by a fixed and floating charge over the assets of the company, as well as other group companies. In addition, both the directors and various subsidiary companies have provided further guarantees.

Other creditors include amounts of £56,780 (2020: £14,043) relating to hire purchase creditors. The creditor is secured over the asset to which it relates.

19 Creditors: amounts falling due after more than one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts		3,227,413	3,460,762	3,067,413	3,210,762
Obligations under finance leases	20	-	55,366	-	55,366
Other creditors		800,000	800,000	800,000	800,000
		<u>4,027,413</u>	<u>4,316,128</u>	<u>3,867,413</u>	<u>4,066,128</u>

Loans and overdrafts include bank loans of £3,067,413 (2020: £3,120,762) that have been secured by a fixed and floating charge over the assets of the company, as well as other group companies. In addition, both the directors and various subsidiary companies have provided further guarantees.

Loans and overdrafts also includes bank loans of £160,000 (2020: £250,000) from the government business bounce back loan scheme.

Other creditors include amounts £Nil (2020: £55,366) relating to hire purchase creditors. The creditor is secured over the asset to which it relates.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>2,191,051</u>	<u>2,312,391</u>	<u>2,191,051</u>	<u>2,262,391</u>
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LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

20 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	56,780	14,043	56,780	14,043
In two to five years	-	55,366	-	55,366
	<u>56,780</u>	<u>69,409</u>	<u>56,780</u>	<u>69,409</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	135,761	30,828
Revaluations	384,719	218,785
	<u>520,480</u>	<u>249,613</u>
	<u><u>520,480</u></u>	<u><u>249,613</u></u>
	Liabilities 2021 £	Liabilities 2020 £
Company		
Accelerated capital allowances	23,563	-
Revaluations	384,719	218,785
	<u>408,282</u>	<u>218,785</u>
	<u><u>408,282</u></u>	<u><u>218,785</u></u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

21 Deferred taxation (Continued)

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 July 2020	249,613	218,785
Charge to profit or loss	104,933	23,563
Charge to other comprehensive income	165,934	165,934
	<u>520,480</u>	<u>408,282</u>
Liability at 30 June 2021	<u>520,480</u>	<u>408,282</u>

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	77,221	22,500
	<u>77,221</u>	<u>22,500</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

24 Operating lease commitments

Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	159,000	159,000	9,240	9,240
Between two and five years	447,000	510,000	-	-
In over five years	174,368	270,368	-	-
	<u>780,368</u>	<u>1,063,268</u>	<u>9,240</u>	<u>9,240</u>

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

25 Events after the reporting date

Jasper education and support services limited was a 33% owned associate and was disposed on 24 December 2021.

26 Related party transactions

At year end the associate undertaking owed the company £16,510 (2020: £124,954).

27 Directors' transactions

Dividends totalling £70,000 (2020 - £8,000) were paid in the year in respect of shares held by the company's directors.

Included in other creditors falling due within one year is an amount of £103,858 (2020: £253,858) and also included in other creditors falling due after one year is an amount of £800,000 (2020: £800,000) owed to the directors of the company. No interest has been charged on either balance.

28 Controlling party

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

29 Discontinued operations

As part of the Group's strategy to concentrate resources on more profitable Group Companies, the Group discontinued the operation of Little Bear's Club Limited on 31 December 2020. During the year the Club contributed post - tax profits of £12,050 (2020- £8,912). The net liabilities at the date of discontinuation of operation of the Club were £17,266.

Since the year end of 30 June 2021 the operation of group company Tower Hill Equestrian Limited was ceased.

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

30 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	71,582	387,795
Adjustments for:		
Taxation charged	132,400	20,526
Finance costs	117,030	55,208
Investment income	(106,342)	(12,352)
Depreciation and impairment of tangible fixed assets	152,620	153,398
Movements in working capital:		
Decrease/(increase) in stocks	96,608	(245,395)
Decrease in debtors	78,612	1,152,399
(Decrease)/increase in creditors	(358,198)	1,146,468
Increase/(decrease) in deferred income	108,773	(7,218)
Cash generated from operations	293,085	2,650,829

31 Cash (absorbed by)/generated from operations - company

	2021 £	2020 £
(Loss)/profit for the year after tax	(235,721)	171,593
Adjustments for:		
Taxation charged	23,563	-
Finance costs	117,012	55,205
Investment income	(800,099)	(239)
Depreciation and impairment of tangible fixed assets	32,483	31,604
Movements in working capital:		
Decrease/(increase) in debtors	1,107,738	(267,940)
(Decrease)/increase in creditors	(719,598)	1,365,448
Cash (absorbed by)/generated from operations	(474,622)	1,355,671

32 Analysis of changes in net debt - group

	1 July 2020 £	Cash flows £	30 June 2021 £
Cash at bank and in hand	714,315	(142,878)	571,437
Borrowings excluding overdrafts	(3,708,341)	145,584	(3,562,757)
Obligations under finance leases	(69,409)	12,629	(56,780)
	(3,063,435)	15,335	(3,048,100)

LITTLE BEAR'S DAYCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

33 Analysis of changes in net debt - company

	1 July 2020	Cash flows	30 June 2021
	£	£	£
Cash at bank and in hand	67,321	(14,614)	52,707
Borrowings excluding overdrafts	(3,455,494)	142,903	(3,312,591)
Obligations under finance leases	(69,409)	12,629	(56,780)
	<u>(3,457,582)</u>	<u>140,918</u>	<u>(3,316,664)</u>

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.