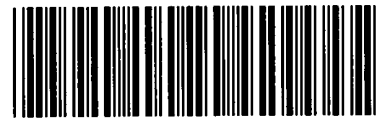


Company Registration No. 09291609 (England and Wales)

BRIGHT LITTLE STARS WATFORD LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
PAGES FOR FILING WITH REGISTRAR

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COMPANIES HOUSE

BRIGHT LITTLE STARS WATFORD LTD

COMPANY INFORMATION

Directors	Mr A Devani Mr R Popat Mrs M Guttadauro	(Appointed 1 August 2016)
Company number	09291609	
Registered office	80 Sheepcote Lane Watford Hertfordshire WD25 0EA	
Auditor	KLSA LLP 28-30 St. John's Square London EC1M 4DN	
Bankers	Barclays Bank Plc Soho Square Leicestershire Leicester United Kingdom LE87 2BB	

BRIGHT LITTLE STARS WATFORD LTD

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Statement of cash flows	4
Notes to the financial statements	5 - 15

BRIGHT LITTLE STARS WATFORD LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	£	£
Profit/(loss) for the year	9,906	(250,307)
	<u></u>	<u></u>
Other comprehensive income		
Revaluation of tangible fixed assets	-	839,340
Tax relating to other comprehensive income	14,961	(149,070)
	<u></u>	<u></u>
Other comprehensive income for the year	14,961	690,270
	<u></u>	<u></u>
Total comprehensive income for the year	24,867	439,963
	<u></u>	<u></u>

BRIGHT LITTLE STARS WATFORD LTD

BALANCE SHEET

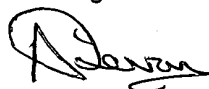
AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	5		2,220,200		2,256,682
Current assets					
Debtors	6	75,000		-	
Cash at bank and in hand		45,063		85,016	
		120,063		85,016	
Creditors: amounts falling due within one year	7	(263,480)		(76,273)	
Net current (liabilities)/assets			(143,417)		8,743
Total assets less current liabilities			2,076,783		2,265,425
Creditors: amounts falling due after more than one year	8		(1,436,233)		(1,627,728)
Provisions for liabilities	9		(179,208)		(201,222)
Net assets			461,342		436,475
Capital and reserves					
Called up share capital	10		20		20
Revaluation reserve			685,057		680,183
Profit and loss reserves			(223,735)		(243,728)
Total equity			461,342		436,475

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 3 November 2017 and are signed on its behalf by:



Mr A Devani
Director

Company Registration No. 09291609

BRIGHT LITTLE STARS WATFORD LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2015	20	-	(3,508)	(3,488)
Year ended 30 June 2016:				
Loss for the year	-	-	(250,307)	(250,307)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	839,340	-	839,340
Tax relating to other comprehensive income	-	(149,070)	-	(149,070)
Total comprehensive income for the year	-	690,270	(250,307)	439,963
Transfers	-	(10,087)	10,087	-
Balance at 30 June 2016	20	680,183	(243,728)	436,475
Year ended 30 June 2017:				
Profit for the year	-	-	9,906	9,906
Other comprehensive income:				
Tax relating to other comprehensive income	-	14,961	-	14,961
Total comprehensive income for the year	-	14,961	9,906	24,867
Transfers	-	(10,087)	10,087	-
Balance at 30 June 2017	20	685,057	(223,735)	461,342

BRIGHT LITTLE STARS WATFORD LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	13		212,842	(133,051)	
Interest paid			(22,874)	(5,985)	
Net cash inflow/(outflow) from operating activities			189,968	(139,036)	
Investing activities					
Purchase of tangible fixed assets		(21,470)		(780,022)	
Interest received		45		264	
Net cash used in investing activities			(21,425)	(779,758)	
Financing activities					
Repayment of borrowings		(195,000)		(160,000)	
Repayment of bank loans		(13,496)		909,001	
Net cash (used in)/generated from financing activities			(208,496)	749,001	
Net decrease in cash and cash equivalents			(39,953)	(169,793)	
Cash and cash equivalents at beginning of year			85,016	254,809	
Cash and cash equivalents at end of year			45,063	85,016	

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

Bright Little Stars Watford Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 80 Sheepcote Lane, Watford, Hertfordshire, WD25 0EA.

1.1 Accounting convention

The financial statements are prepared under the historic cost convention modified to include the revaluation of freehold land and buildings.

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.

These financial statements for the year ended 30 June 2017 are the first financial statements of Bright Little Stars Watford Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

1.2 Going concern

At the time of approving the financial statements, the group companies and ultimate shareholders have confirmed their financial support for the next 12 months. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Income represents the value, net of value added tax and discounts, of the following streams:

- Government funding, which is recognised as income when the company becomes entitled to the fund.
- Contract services, including nursery fees and child care vouchers are recognised as income when the service is provided.

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:

Land and buildings Freehold	2% on Building Cost
Plant and machinery	10% on Reducing balance

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.

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.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

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 at bank and in hand

Cash at bank and in hand 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.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 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.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 Comparatives

This is the first set of audited financial statements and the comparatives figures in this financial statements are not audited.

1.14 Prior year adjustment

The financial statements have been restated to incorporate the impact of an omission of deferred tax on capital allowance in the comparative period for better presentation. The change has resulted in losses at 30 June 2016 which is increased by £52,152. An explanation of how the prior year adjustment has affected financial position and financial performance is given in note 15.

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.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 28 (2016 - 4).

4 Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	(7,053)	52,152

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2016	1,941,920	375,645	2,317,565
Additions	13,215	8,255	21,470
At 30 June 2017	1,955,135	383,900	2,339,035
Depreciation and impairment			
At 1 July 2016	23,318	37,566	60,884
Depreciation charged in the year	23,318	34,633	57,951
At 30 June 2017	46,636	72,199	118,835
Carrying amount			
At 30 June 2017	1,908,499	311,701	2,220,200
At 30 June 2016	1,918,602	338,080	2,256,682

The freehold land and buildings (Including plant & Machinery) was revalued at fair value on 11 February 2016 by Gerald Eve LLP at £2,280,000.

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts due from group undertakings	75,000	-

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	76,272	76,273
Amounts due to group undertakings	175,000	-
Other creditors	12,208	-
	263,480	76,273

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

8 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	819,233	832,728
Other creditors	617,000	795,000
	<u>1,436,233</u>	<u>1,627,728</u>

The loans are secured by a first charge over the freehold property, 80 Sheepcot Lane, Watford, WD25 0EA and by the cross guarantee and debenture between Bright Little Stars Limited. The loans are subject to monthly repayments and commercial rates of interest.

9 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	45,099	52,152
Revaluations	134,109	149,070
	<u>179,208</u>	<u>201,222</u>
Movements in the year:		2017 £
Liability at 1 July 2016		201,222
Credit to profit or loss		(7,053)
Credit to other comprehensive income		(14,961)
Liability at 30 June 2017		<u>179,208</u>

10 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
16 Ordinary shares of £1 each	16	16
4 A Ordinary shares of £1 each	4	4
	<u>20</u>	<u>20</u>

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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.
The senior statutory auditor was Shilpa Chheda.
The auditor was KLSA LLP.

12 Related party transactions

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

At the balance sheet date, balance payable to the shareholders amounted to £600,000 (2016:£600,000) . Interest is paid at 5% after two years the loan has been granted. This balance is shown in note 10 under the category ' Other creditors'.

13 Cash generated from operations

	2017 £	2016 £
Profit/(loss) for the year after tax	9,907	(250,307)
Adjustments for:		
Taxation (credited)/charged	(7,053)	52,152
Finance costs	22,874	5,985
Investment income	(45)	(264)
Depreciation and impairment of tangible fixed assets	57,951	60,883
Movements in working capital:		
(Increase) in debtors	(75,000)	-
Increase/(decrease) in creditors	204,208	(1,500)
Cash generated from/(absorbed by) operations	<u>212,842</u>	<u>(133,051)</u>

14 Reconciliations on adoption of FRS 102

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

14 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	Notes	1 July 2015 £	30 June 2016 £
Equity as reported under previous UK GAAP		(3,488)	637,697
Adjustments to prior year (note)		-	(52,152)
As restated		(3,488)	585,545
Adjustments arising from transition to FRS 102:		-	(149,070)
Equity reported under FRS 102		(3,488)	436,475

Reconciliation of loss for the financial period

	2016 £
Loss as reported under previous UK GAAP and under FRS 102	(198,155)
Adjustments to prior year (note)	(52,152)
As restated	(250,307)

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2017**

14 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	Notes	At 1 July 2015			At 30 June 2016			FRS 102 £
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	
Fixed assets								
Tangible assets		698,203	-	698,203	2,256,682	-	-	2,256,682
Current assets								
Bank and cash		254,809	-	254,809	85,016	-	-	85,016
Creditors due within one year								
Loans and overdrafts		-	-	-	(76,273)	-	-	(76,273)
Other creditors		(1,500)	-	(1,500)	-	-	-	-
		(1,500)	-	(1,500)	(76,273)	-	-	(76,273)
Net current assets		253,309	-	253,309	8,743	-	-	8,743
Total assets less current liabilities		951,512	-	951,512	2,265,425	-	-	2,265,425
Creditors due after one year								
Loans and overdrafts		(955,000)	-	(955,000)	(1,627,728)	-	-	(1,627,728)
Provisions for liabilities								
Deferred tax	1	-	-	-	-	(52,152)	(149,070)	(201,222)
Net assets		(3,488)	-	(3,488)	637,697	(52,152)	(149,070)	436,475

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

14 Reconciliations on adoption of FRS 102

(Continued)

	Notes	At 1 July 2015		FRS 102	At 30 June 2016			FRS 102
		Previous UK GAAP	Effect of transition		Previous UK GAAP	Prior year adjustment	Effect of transition	
		£	£	£	£	£	£	£
Capital and reserves								
Share capital		20	-	20	20	-	-	20
Revaluation reserve		-	-	-	829,253	-	(149,070)	680,183
Profit and loss	2	(3,508)	-	(3,508)	(191,576)	(52,152)	-	(243,728)
Total equity		<u>(3,488)</u>	<u>-</u>	<u>(3,488)</u>	<u>637,697</u>	<u>(52,152)</u>	<u>(149,070)</u>	<u>436,475</u>

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

Reconciliation of loss for the financial period

	Notes	Year ended 30 June 2016			FRS 102 £
		Previous UK GAAP £	Prior year adjustment £	Effect of transition £	
Turnover		63,557	-	-	63,557
Administrative expenses		(255,991)	-	-	(255,991)
Interest receivable and similar income		264	-	-	264
Interest payable and similar expenses		(5,985)	-	-	(5,985)
Loss before taxation		(198,155)	-	-	(198,155)
Taxation		-	(52,152)	-	(52,152)
Loss for the financial period		(198,155)	(52,152)	-	(250,307)

Notes to reconciliations on adoption of FRS 102

1) Deferred taxation on revaluation

Under previous UK GAAP the Company was not required to provide for taxation on revaluations, unless the Company had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation.

Freehold land & buildings - A deferred tax charge of £149,070 arose on transition to FRS 102. In the year ending 30 June 2017 a further deferred tax movement of £14,961 arose.

2) Deferred taxation on accelerated capital allowance

As at reporting date, deferred tax liabilities arising from timing difference of accelerated capital allowance became material. The company has provided retrospective adjustment in prior period for better presentation and comparison. As a result, the losses has increased and deferred tax liabilities increased by the same amount of £52,152 in prior period.