

Company Registration No. 09291609 (England and Wales)

BRIGHT LITTLE STARS WATFORD LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
PAGES FOR FILING WITH REGISTRAR



BRIGHT LITTLE STARS WATFORD LTD

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BRIGHT LITTLE STARS WATFORD LTD

BALANCE SHEET

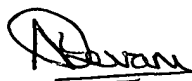
AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	6		2,524,906		2,570,000
Current assets					
Debtors	7	332,723		275,000	
Cash at bank and in hand		84,379		34,883	
		<u>417,102</u>		<u>309,883</u>	
Creditors: amounts falling due within one year	8	<u>(180,472)</u>		<u>(188,702)</u>	
Net current assets			236,630		121,181
Total assets less current liabilities			2,761,536		2,691,181
Creditors: amounts falling due after more than one year	9		(1,352,873)		(1,461,359)
Provisions for liabilities	10		(238,693)		(240,559)
Net assets			<u>1,169,970</u>		<u>989,263</u>
Capital and reserves					
Called up share capital	11		20		20
Revaluation reserve			985,650		999,685
Profit and loss reserves			184,300		(10,442)
Total equity			<u>1,169,970</u>		<u>989,263</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 12 August 2019 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 2019

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2017	20	685,057	(223,735)	461,342
Year ended 30 June 2018:				
Profit for the year	-	-	199,258	199,258
Other comprehensive income:				
Revaluation of tangible fixed assets	-	390,955	-	390,955
Tax relating to other comprehensive income	-	(62,292)	-	(62,292)
Total comprehensive income for the year	-	328,663	199,258	527,921
Transfers	-	(14,035)	14,035	-
Balance at 30 June 2018	20	999,685	(10,442)	989,263
Year ended 30 June 2019:				
Profit and total comprehensive income for the year	-	-	180,707	180,707
Transfers	-	(14,035)	14,035	-
Balance at 30 June 2019	20	985,650	184,300	1,169,970

BRIGHT LITTLE STARS WATFORD LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	14		244,367		(104,462)
Interest paid			(49,283)		(21,615)
Net cash inflow/(outflow) from operating activities			195,084		(126,077)
Investing activities					
Purchase of tangible fixed assets		(3,246)		(8,526)	
Interest received		-		40	
Net cash used in investing activities			(3,246)		(8,486)
Financing activities					
Repayment of borrowings		-		(600,000)	
Repayment of bank loans		(142,342)		724,383	
Net cash (used in)/generated from financing activities			(142,342)		124,383
Net increase/(decrease) in cash and cash equivalents			49,496		(10,180)
Cash and cash equivalents at beginning of year			34,883		45,063
Cash and cash equivalents at end of year			84,379		34,883

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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

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

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

The financial statements have been prepared under the historical cost convention, 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 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	7% 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 2019

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 and cash equivalents

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

1.7 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

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

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful lives of property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

3 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	3,480	3,480

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 41 (2018 - 39).

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

5 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	15,901	-
Deferred tax		
Origination and reversal of timing differences	(1,866)	(941)
Total tax charge/(credit)	14,035	(941)

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

	2019 £	2018 £
Deferred tax arising on:		
Revaluation of property	-	62,292

6 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 July 2018	2,346,091	392,426	2,738,517
Additions	-	3,246	3,246
At 30 June 2019	2,346,091	395,672	2,741,763
Depreciation and impairment			
At 1 July 2018	73,902	94,615	168,517
Depreciation charged in the year	27,266	21,074	48,340
At 30 June 2019	101,168	115,689	216,857
Carrying amount			
At 30 June 2019	2,244,923	279,983	2,524,906
At 30 June 2018	2,272,189	297,811	2,570,000

The freehold land and buildings (Including plant & Machinery) was revalued at fair value on 11 January 2018 by Copping Joyce Surveyors Limited at £2,570,000.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

7 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	320,000	275,000
Other debtors	12,723	-
	<u>332,723</u>	<u>275,000</u>

8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans	150,049	177,029
Corporation tax	15,901	-
Other creditors	14,522	11,673
	<u>180,472</u>	<u>188,702</u>

9 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans	1,327,497	1,442,859
Other creditors	25,376	18,500
	<u>1,352,873</u>	<u>1,461,359</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.

10 Deferred taxation

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

	Liabilities 2019	Liabilities 2018
Balances:	£	£
Accelerated capital allowances	42,292	44,158
Revaluations	196,401	196,401
	<u>238,693</u>	<u>240,559</u>

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

10 Deferred taxation (Continued)

	2019 £
Movements in the year:	
Liability at 1 July 2018	240,559
Credit to profit or loss	(1,866)
	<hr/>
Liability at 30 June 2019	238,693
	<hr/>

11 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
16 Ordinary shares of £1 each	16	16
4 A Ordinary shares of £1 each	4	4
	<hr/>	<hr/>
	20	20
	<hr/>	<hr/>

12 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.

13 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.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

14 Cash generated from/(absorbed by) operations

	2019 £	2018 £
Profit for the year after tax	180,708	199,257
Adjustments for:		
Taxation charged/(credited)	14,035	(941)
Finance costs	49,283	21,615
Investment income	-	(40)
Depreciation and impairment of tangible fixed assets	48,340	49,682
Movements in working capital:		
Increase in debtors	(57,723)	(200,000)
Increase/(decrease) in creditors	9,724	(174,035)
Cash generated from/(absorbed by) operations	<u>244,367</u>	<u>(104,462)</u>