

FAVOURS DAY NURSERY HOLDINGS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2018

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COMPANIES HOUSE

FAVOURS DAY NURSERY HOLDINGS LIMITED
REGISTERED NUMBER: 10056969

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	4		194,783		93,795
Tangible assets	5		776,977		780,318
Investments	6		50		50
			<u>971,810</u>		<u>874,163</u>
Current assets					
Cash at bank and in hand	7	3,951		-	
		<u>3,951</u>		<u>-</u>	
Creditors: amounts falling due within one year	8	(344,868)		(208,131)	
Net current liabilities			<u>(340,917)</u>		<u>(208,131)</u>
Total assets less current liabilities			<u>630,893</u>		<u>666,032</u>
Creditors: amounts falling due after more than one year	9		(619,780)		(645,146)
Net assets			<u><u>11,113</u></u>		<u><u>20,886</u></u>
Capital and reserves					
Called up share capital - allocated, issued and fully paid			100		100
Profit and loss account			11,013		20,786
			<u><u>11,113</u></u>		<u><u>20,886</u></u>

FAVOURS DAY NURSERY HOLDINGS LIMITED
REGISTERED NUMBER: 10056969

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

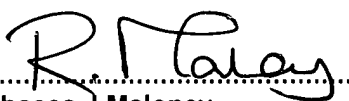
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Rebecca J Maloney
Director

Date: 1/9/2018

The notes on pages 3 to 10 form part of these financial statements.

FAVOURS DAY NURSERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Favours Day Nursery Holdings Limited is a private limited company, incorporated in England and Wales.

The registered office is Equipoise House, Grove Place, Bedford, MK40 3LE.

The principal place of business is Boughton Fair Lane, Moulton, Northamptonshire, NN3 7RT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Statement of Income and Retained Earnings over its estimated economic life.

Amortisation on Goodwill is provided on a straight line basis over 10 years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% per annum
Fixtures and fittings	-	15% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.13 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 1).

FAVOURS DAY NURSERY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2017	100,945
Additions	111,083
At 31 March 2018	<u>212,028</u>
Amortisation	
At 1 April 2017	7,150
Charge for the year	10,095
At 31 March 2018	<u>17,245</u>
Net book value	
At 31 March 2018	<u><u>194,783</u></u>
At 31 March 2017	<u><u>93,795</u></u>

The addition of £111,083 in the year is a transfer of goodwill from Favours Day Nursery Limited.

FAVOURS DAY NURSERY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	761,930	31,878	-	793,808
Transfers intra group	-	31,123	3,968	35,091
At 31 March 2018	<u>761,930</u>	<u>63,001</u>	<u>3,968</u>	<u>828,899</u>
Depreciation				
At 1 April 2017	10,103	3,387	-	13,490
Charge for the year on owned assets	15,239	4,782	-	20,021
Transfers intra group	-	16,116	2,295	18,411
At 31 March 2018	<u>25,342</u>	<u>24,285</u>	<u>2,295</u>	<u>51,922</u>
Net book value				
At 31 March 2018	<u>736,588</u>	<u>38,716</u>	<u>1,673</u>	<u>776,977</u>
At 31 March 2017	<u>751,827</u>	<u>28,491</u>	<u>-</u>	<u>780,318</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	50
At 31 March 2018	<u>50</u>
Net book value	
At 31 March 2018	<u>50</u>
At 31 March 2017	<u>50</u>

FAVOURS DAY NURSERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Favours Day Nursery Limited	Ordinary	100 %	Provision of day care for children

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	3,951	-

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	30,284	27,181
Amounts owed to group undertakings	301,085	156,718
Corporation tax	10,460	7,697
Director's loan account	1,185	16,535
Accruals and deferred income	1,854	-
	344,868	208,131

The bank loans are secured by a debenture comprising fixed and floating charges over all the assets and undertaking of Favours Day Nursery Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future. There is an Unlimited Composite Company Guarantee given by Favours Day Nursery Holdings Limited, Favours Day Nursery Limited to secure all liabilities of each other.

FAVOURS DAY NURSERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	<u>619,780</u>	<u>645,146</u>

The bank loans are secured by a debenture comprising fixed and floating charges over all the assets and undertaking of Favours Day Nursery Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future. There is an Unlimited Composite Company Guarantee given by Favours Day Nursery Holdings Limited, Favours Day Nursery Limited to secure all liabilities of each other.

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	30,284	27,181
Amounts falling due 1-2 years		
Bank loans	27,239	28,007
Amounts falling due 2-5 years		
Bank loans	92,328	89,237
Amounts falling due after more than 5 years		
Bank loans	500,213	527,902
	<u>650,064</u>	<u>672,327</u>

11. Transactions with directors

At 31 March 2018 Rebecca J Maloney and Abbey Thompson had a joint directors loan account with a balance of £1,185 (2017: Rebecca J Maloney £13,435, Abbey Thompson £3,100) due from the Company. No interest was charged on the loan during the year and it is repayable on demand.

FAVOURS DAY NURSERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Related party transactions

At 31 March 2018 there was a balance due to Favours Day Nursery Limited of £301,085 (2017: £156,718). There was no interest charged on this loan during the year and the loan is repayable on demand.

On 31 March 2018, tangible fixed assets with a Net Book Value of £16,680 were transferred from Favours Day Nursery Limited to Favours Day Nursery Holdings Limited.

On 31 March 2018, intangible fixed assets with a Net Book Value of £111,083 were transferred from Favours Day Nursery Limited to Favours Day Nursery Holdings Limited.

During the year, inter-company dividends of £16,000 (2017: £Nil) were received from Favours Day Nursery Limited.

During the year, dividends of £42,500 (2017: £10,000) were paid to the directors.