

FAVOURS DAY NURSERY HOLDINGS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	4		88,768		109,971
Tangible assets	5		727,532		767,783
Investments	6		50		50
			<u>816,350</u>		<u>877,804</u>
Current assets					
Debtors: amounts falling due within one year	7	43,829		46,816	
Cash at bank and in hand	8	10		279	
		<u>43,839</u>		<u>47,095</u>	
Creditors: amounts falling due within one year	9	(469,923)		(468,718)	
Net current liabilities			<u>(426,084)</u>		<u>(421,623)</u>
Total assets less current liabilities			<u>390,266</u>		<u>456,181</u>
Creditors: amounts falling due after more than one year	10		(349,746)		(388,805)
Net assets			<u><u>40,520</u></u>		<u><u>67,376</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss account			40,420		67,276
			<u><u>40,520</u></u>		<u><u>67,376</u></u>

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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 the 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 Jane Maloney
Director

Date: 5 October 2023

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

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

The registered office is Moorgate House, Silbury Boulevard, Milton Keynes, MK9 1LZ.

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 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP rounded to the nearest £1.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 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.

2.5 Finance costs

Finance costs are charged to profit or loss 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.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Taxation

Tax is recognised in profit or loss 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.

2.8 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.

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
Computer equipment	-	33%	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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.9 Investment property

Investment property is carried at fair value determined annually by the directors 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

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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.

2.13 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.

2.14 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 ordinary shares.

2.15 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.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2022 - 2).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2022	212,028
At 31 March 2023	<u>212,028</u>
Amortisation	
At 1 April 2022	102,057
Charge for the year on owned assets	<u>21,203</u>
At 31 March 2023	<u>123,260</u>
Net book value	
At 31 March 2023	<u><u>88,768</u></u>
At 31 March 2022	<u><u>109,971</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	761,930	186,736	1,083	949,749
At 31 March 2023	<u>761,930</u>	<u>186,736</u>	<u>1,083</u>	<u>949,749</u>
Depreciation				
At 1 April 2022	86,298	95,305	363	181,966
Charge for the year on owned assets	15,239	24,655	357	40,251
At 31 March 2023	<u>101,537</u>	<u>119,960</u>	<u>720</u>	<u>222,217</u>
Net book value				
At 31 March 2023	<u>660,393</u>	<u>66,776</u>	<u>363</u>	<u>727,532</u>
At 31 March 2022	<u>675,632</u>	<u>91,431</u>	<u>720</u>	<u>767,783</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	50
At 31 March 2023	<u>50</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Debtors

	2023 £	2022 £
Other debtors	42,850	45,837
Tax recoverable	979	979
	<u>43,829</u>	<u>46,816</u>

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>10</u>	<u>279</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	45,290	46,833
Amounts owed to group undertakings	406,629	413,103
Corporation tax	10,063	-
Other creditors	4,895	5,736
Accruals and deferred income	3,046	3,046
	<u>469,923</u>	<u>468,718</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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023	2022
	£	£
Bank loans	<u>349,746</u>	<u>388,805</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.

11. Related party transactions

At 31 March 2023 there was a balance due to Favours Day Nursery Limited of £406,629 (2022: £413,103). There was no interest charged on this loan during the year and the loan is repayable on demand.

At 31 March 2023 there was a balance due from FDN Investments Ltd a company with similar directors of £42,850 (2022: £45,248)

During the year, inter-company dividends of £75,000 (2022: £120,837) were received from Favours Day Nursery Limited.

During the year, dividends of £85,000 (2022: £65,000) were paid to the directors.

At 31 March 2023 Rebecca J Maloney and Abbey Cooke had directors loan account's with balances of £2,626 (2022: £2,690) and £2,269 (2022: £3,046) respectively due from the Company. No interest was charged on the loans during the year and they are repayable on demand.

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.