

**PAINT POTS NURSERY (SCOTLAND) LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 MARCH 2020**

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**PAINT POTS NURSERY (SCOTLAND) LIMITED****BALANCE SHEET****AS AT 31 MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		509,063		178,476
<b>Current assets</b>					
Stock		-		7,500	
Debtors	4	7,155		-	
Cash at bank and in hand		36,379		42,475	
		43,534		49,975	
<b>Creditors: amounts falling due within one year</b>	5	(518,350)		(22,970)	
<b>Net current assets/ (liabilities)</b>			(474,816)		27,005
<b>Total assets less current assets/(liabilities)</b>			34,247		205,481
<b>Net assets</b>			34,247		205,481
<b>Capital and reserves</b>					
Called up share capital	7		100		100
Profit and loss reserves			34,147		205,381
<b>Total equity</b>			34,247		205,481

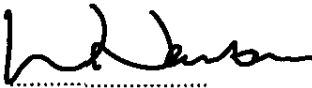
The Directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared 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 25/2/21 and



W Newton  
Director

**PAINT POTS NURSERY (SCOTLAND) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 MARCH 2020**

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	Share capital	Profit and loss account	Total
	£	£	£
At 1 June 2018	100	212,871	212,971
Losses for the period	—	78,934	78,934
Dividends	—	(86,424)	(86,424)
At 31 May 2019	100	205,381	205,481
Losses for the period	-	(149,716)	(149,716)
Dividends	-	(21,518)	(21,518)
At 31 March 2020	<u>100</u>	<u>34,147</u>	<u>34,247</u>

# **PAINT POTS NURSERY (SCOTLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD ENDED 31 MARCH 2020**

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#### **1 Accounting policies**

##### **Company information**

Paint Pots Nursery (Scotland) Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Newfield House, 1 New Street, Musselburgh, East Lothian, EH21 6HY.

##### **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.

These financial statements are the first financial statements the company has prepared in accordance with FRS 102. The financial statements of the company for the previous year were prepared in accordance with FRS 105 "The Financial Reporting Standard applicable to the Micro-entities Regime" ("FRS 105"). Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRS 105. Consequently, the directors have amended certain accounting policies to comply with FRS 102.

No adjustments have been recognised on transition to FRS 102.

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. The principal accounting policies adopted are set out below.

##### **Going concern**

In preparation of the financial statements, the directors have made an assessment of the company's ability to continue as a going concern. The company has net current liabilities of £474,816 (2019: net current assets of £27,005) and from historic knowledge and a review of current and future trading the directors believe that the company is wholly reliant on the continued support of the group's bankers. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with the group.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a minimum of twelve months from the date of sign off based on detailed forecasts and cash flows prepared and the fact that existing banking arrangements have been extended to 31 March 2022. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Reporting Period**

During the period, the company changed its reporting date to align with that of its parent and the financial statements cover the 10 month period from 1 June 2019 to 31 March 2020. The prior period financial statements were for the year ended 31 May 2019. The comparative amounts presented in the financial statements, including the related notes, are therefore not entirely comparable.

##### **Turnover**

Turnover consists of fee income and local authority funding received for the provision of early years education and is recognised as the service is provided.

##### **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.

# PAINT POTS NURSERY (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MARCH 2020

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#### 1 Accounting policies (Continued)

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% Straight Line
Fixtures, fittings and equipment	20-25% 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 credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

#### 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.

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.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

#### 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 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.

# PAINT POTS NURSERY (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

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### 1 Accounting policies (Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings 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.

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**PAINT POTS NURSERY (SCOTLAND) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2020**

**1 Accounting policies (Continued)**

**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.

**Retirement benefits**

The company operates a defined contribution pension scheme for directors and employees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 20 (2019: 27).

**3 Tangible fixed assets**

	Land and Buildings Freehold	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 June 2019	-	170,485	44,002	214,487
Additions	<u>501,505</u>	<u>-</u>	<u>724</u>	<u>502,229</u>
At 31 March 2020	<u>501,505</u>	<u>170,485</u>	<u>44,726</u>	<u>716,716</u>
<b>Depreciation</b>				
At 1 June 2019	-	-	36,011	36,011
Impairment	-	170,485	-	170,485
Depreciation charged	<u>-</u>	<u>-</u>	<u>1,157</u>	<u>1,157</u>
At 31 March 2020	<u>-</u>	<u>170,485</u>	<u>37,168</u>	<u>207,653</u>
<b>Carrying amount</b>				
At 31 March 2020	<u>501,505</u>	<u>-</u>	<u>7,558</u>	<u>509,063</u>
At 31 May 2019	<u>-</u>	<u>170,485</u>	<u>7,991</u>	<u>178,476</u>

Land and Buildings were acquired during the period and revalued at 17<sup>th</sup> May 2109 by Montagu Evans, independent valuers not connected with the company, on the basis of market value.

**PAINT POTS NURSERY (SCOTLAND) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2020**

<b>4 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	3,883	-
Other debtors	<u>2,995</u>	<u>-</u>
	6,878	-
Deferred tax asset	<u>277</u>	<u>-</u>
	<u>7,155</u>	<u>-</u>
<b>5 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	15,889	-
Amounts owed to group undertakings	405,914	-
Taxation and social security	7,625	2,160
Other creditors	69,475	2,500
Corporation tax	<u>19,447</u>	<u>18,310</u>
	<u>518,350</u>	<u>22,970</u>
<b>6 Called up share capital</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

**7 Consolidated accounts**

Project Winston Topco Limited is the smallest and largest company for which consolidated accounts including Paint Pots Nursery (Scotland) Limited are prepared. The registered office of Project Winston Topco Limited is 6 Warwick Street, London, United Kingdom, W1B 5LX.

**8 Mortgages and charges**

The company has granted its bankers, Santander, a secured charge over the property with carrying value of £501,505 (2019: £nil) at the balance sheet date, and a bond and floating charge over the whole assets of the company.

Each member of the Bertram Nursery Group has a cross guarantee over the liabilities of the Bertram Nursery Group. At the balance sheet date the total secured finance of the entities amounted to £11,342,891 (2019: £nil).