

Company Registration No. 04615577 (England and Wales)

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

COMPANY INFORMATION

DIRECTORS	Mrs E L Catton Mr D P Hateley
SECRETARY	Mrs E L Catton
COMPANY NUMBER	04615577
REGISTERED OFFICE	Wolverhampton Business Park Brabourne Avenue Wolverhampton West Midlands WV10 6AU
ACCOUNTANTS	JW Hinks LLP Chartered Accountants 19 Highfield Road Edgbaston Birmingham B15 3BH
BANKERS	Barclays Bank PLC Queen Square Wolverhampton West Midlands WV1 1DS

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

CONTENTS

	PAGE
Balance sheet	1 - 2
Notes to the financial statements	3 - 10

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

		2017	2016
	Notes	£	£
FIXED ASSETS			
Tangible assets	3	3,966,614	3,959,406
CURRENT ASSETS			
Stocks		3,700	4,414
Debtors	4	14,962	40,924
Cash at bank and in hand		342,249	223,612
		<u>360,911</u>	<u>268,950</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(320,753)	(313,128)
NET CURRENT ASSETS/(LIABILITIES)		<u>40,158</u>	<u>(44,178)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,006,772</u>	<u>3,915,228</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6	(2,704,503)	(2,785,934)
PROVISIONS FOR LIABILITIES		<u>(51,000)</u>	<u>(41,000)</u>
NET ASSETS		<u><u>1,251,269</u></u>	<u><u>1,088,294</u></u>
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Profit and loss reserves		1,250,269	1,087,294
TOTAL EQUITY		<u><u>1,251,269</u></u>	<u><u>1,088,294</u></u>

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

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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 14 December 2017 and are signed on its behalf by:

Mrs E L Catton

DIRECTOR

COMPANY REGISTRATION NO. 04615577

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

COMPANY INFORMATION

ABC Early Learning & Childcare Centre UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wolverhampton Business Park, Brabourne Avenue, Wolverhampton, West Midlands, WV10 6AU.

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 TURNOVER

Turnover represents invoiced sales of services.

Revenue is measured at the fair value of the consideration received or receivable and recognised once relevant services have been rendered.

1.3 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:

Freehold property	1% on cost
Improvements to property	2% on cost
Fixtures, fittings & equipment	10% on reducing balance
Computer equipment	33% 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.

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

1.4 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.

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.

1.5 STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

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.

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

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.

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.

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

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.

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.

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

1.12 RETIREMENT BENEFITS

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

1.13 LEASES

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was 76 (2016 - 87).

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 TANGIBLE FIXED ASSETS

	Freehold property	Improvements to property	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
COST					
At 1 April 2016	3,782,542	119,213	235,172	15,889	4,152,816
Additions	54,457	-	331	4,548	59,336
At 31 March 2017	3,836,999	119,213	235,503	20,437	4,212,152
DEPRECIATION AND IMPAIRMENT					
At 1 April 2016	67,874	4,605	108,050	12,880	193,409
Depreciation charged in the year	34,505	2,384	12,746	2,494	52,129
At 31 March 2017	102,379	6,989	120,796	15,374	245,538
CARRYING AMOUNT					
At 31 March 2017	3,734,620	112,224	114,707	5,063	3,966,614
At 31 March 2016	3,714,668	114,608	127,121	3,009	3,959,406

Included in Freehold properties is land amounting to £388,905 (2016: £388,905) for which depreciation is not provided.

4 DEBTORS

	2017	2016
AMOUNTS FALLING DUE WITHIN ONE YEAR:	£	£
Trade debtors	10,940	37,021
Amounts owed by undertakings in which the company has a participating interest	-	1,688
Prepayments and accrued income	4,022	2,215
	14,962	40,924

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	73,757	69,811
Trade creditors	38,814	42,358
Corporation tax	61,137	71,113
Other taxation and social security	7,480	-
Deferred income	66,413	63,741
Other creditors	23,907	18,880
Accruals and deferred income	49,245	47,225
	<u>320,753</u>	<u>313,128</u>

6 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	1,816,045	1,895,484
Other borrowings	884,916	884,916
Deferred income	3,542	5,534
	<u>2,704,503</u>	<u>2,785,934</u>

The bank loans have been secured by a fixed and floating charge over the company's property and assets present and future.

Amounts included above which fall due after five years are as follows:

Payable by instalments	(1,521,017)	(1,616,240)
	<u></u>	<u></u>

ABC EARLY LEARNING & CHILDCARE CENTRE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 CALLED UP SHARE CAPITAL

	2017	2016
	£	£
ORDINARY SHARE CAPITAL		
ISSUED AND FULLY PAID		
500 Ordinary A of £1 each	500	500
500 Ordinary B of £1 each	500	500
	1,000	1,000

8 OPERATING LEASE COMMITMENTS

LESSEE

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

2017	2016
£	£
9,360	238,680

9 DIRECTORS' TRANSACTIONS

At the year end Mr D P Hateley was owed £884,916 (2016: £884,916) by way of his directors loan account.

These amounts were extended on an interest free basis.

There are no fixed repayment terms for these loans, however the sum of £884,916 (2016: £884,916) is not repayable to Mr D P Hateley within one year of the year end.

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.