

Company registration number 09291609 (England and Wales)

BRIGHT LITTLE STARS WATFORD LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
PAGES FOR FILING WITH REGISTRAR

KLSA
Chartered Accountants

PKF
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BRIGHT LITTLE STARS WATFORD LTD

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BRIGHT LITTLE STARS WATFORD LTD

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	6		2,442,528		2,449,256
Current assets					
Debtors	7	430,446		546,074	
Cash at bank and in hand		208,153		80,542	
		638,599		626,616	
Creditors: amounts falling due within one year	8	(285,909)		(276,233)	
Net current assets			352,690		350,383
Total assets less current liabilities			2,795,218		2,799,639
Creditors: amounts falling due after more than one year	9		(927,151)		(1,102,498)
Provisions for liabilities					
Deferred tax liability	11	265,211		240,870	
			(265,211)		(240,870)
Net assets			1,602,856		1,456,271
Capital and reserves					
Called up share capital	13		20		20
Revaluation reserve			917,840		956,944
Profit and loss reserves			684,996		499,307
Total equity			1,602,856		1,456,271

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 11 November 2022 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 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2020	20	970,693	315,981	1,286,694
Year ended 30 June 2021:				
Profit and total comprehensive income for the year	-	-	169,577	169,577
Transfers	-	(13,749)	13,749	-
Balance at 30 June 2021	20	956,944	499,307	1,456,271
Year ended 30 June 2022:				
Profit for the year	-	-	170,926	170,926
Other comprehensive income:				
Tax relating to other comprehensive income	-	(24,341)	-	(24,341)
Total comprehensive income for the year	-	(24,341)	170,926	146,585
Transfers	-	(14,763)	14,763	-
Balance at 30 June 2022	20	917,840	684,996	1,602,856

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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.

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

The company is financed by equity and banking facilities. The company is therefore dependent upon its bankers for continued financial support.

As at the year end the company has net current assets of £353k (2021: £350k) and shareholders funds of £1.6m (2021: £1.5m).

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. For this basis they have reviewed the financial and cash flow projections for the next 12 months from the date of the approval of the financial statements.

The company's banks will continue to provide financial support as required and thus the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

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 and invoice raised.

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.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

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.

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 2022

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.

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.

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.11 Retirement benefits

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

1.12 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 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.

Valuation of properties

Freehold properties are carried at fair value based on valuations performed by external independent valuers or the directors. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties and historical experience. There is an inevitable degree of judgement involved and the value can only be reliably tested ultimately in the market itself.

3 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	3,600	3,600

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022 Number	2021 Number
43	41

5 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	-	(1,342)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	170,926	168,235
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	32,476	31,965
Tax effect of expenses that are not deductible in determining taxable profit	9,395	16,689
Group relief	(30,601)	(46,256)
Permanent capital allowances in excess of depreciation	(11,270)	(2,398)
Deferred tax	-	(1,342)
Taxation charge/(credit) for the year	-	(1,342)

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:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	24,341	-

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Total
	£	£	£
Cost			
At 1 July 2021	2,346,091	417,463	2,763,554
Additions	-	42,722	42,722
At 30 June 2022	2,346,091	460,185	2,806,276
Depreciation and impairment			
At 1 July 2021	158,361	155,937	314,298
Depreciation charged in the year	28,153	21,297	49,450
At 30 June 2022	186,514	177,234	363,748
Carrying amount			
At 30 June 2022	2,159,577	282,951	2,442,528
At 30 June 2021	2,187,730	261,526	2,449,256

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. In the opinion of the directors, the valuation at the balance sheet date represents the fair value.

7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	42,446	46,074
Amounts owed by group undertakings	388,000	500,000
	430,446	546,074

8 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	10	176,764	171,295
Payments received on account		10,410	9,597
Government grants	12	5,666	-
Other creditors		86,093	83,734
Accruals and deferred income		6,976	11,607
		285,909	276,233

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

9 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	10	885,512	1,064,107
Payments received on account		41,639	38,391
		<u>927,151</u>	<u>1,102,498</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 and Bright Little Stars Watford Limited. The loans are subject to monthly repayments and commercial rates of interest.

10 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>1,062,276</u>	<u>1,235,402</u>
Payable within one year	176,764	171,295
Payable after one year	<u>885,512</u>	<u>1,064,107</u>

11 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	45,703	45,703
Revaluations	219,508	195,167
	<u>265,211</u>	<u>240,870</u>
Movements in the year:		2022 £
Liability at 1 July 2021		240,870
Charge to other comprehensive income		24,341
Liability at 30 June 2022		<u>265,211</u>

BRIGHT LITTLE STARS WATFORD LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

12 Government grants

	2022 £	2021 £
Arising from government grants	5,666	-

13 Share capital

	2022 £	2021 £
Ordinary share capital		
Issued and fully paid		
16 Ordinary shares of £1 each	16	16
4 A Ordinary shares of £1 each	4	4
	<u>20</u>	<u>20</u>

14 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.

Senior Statutory Auditor:	Shilpa Chheda
Statutory Auditor:	KLSA LLP

15 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.

16 Ultimate controlling party

The parent company of Bright Little Stars Watford Limited is Bright Little Stars Group Limited and the registered office is Kinetic Business Centre, Theobald Street, Elstree, Hertfordshire, WD6 4PJ.

In the opinion of the directors, there is no ultimate controlling party.