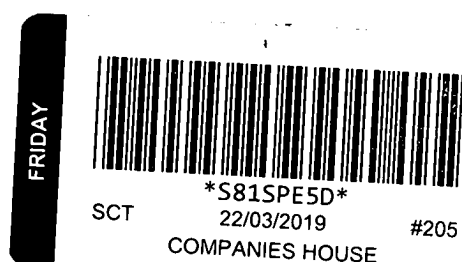


Kidzcare Limited
Filleted Unaudited Financial Statements
30 June 2018



CHARLES BURROWS & CO

Chartered Accountants
7 Palmerston Place
Edinburgh
EH12 5AH

Kidzcare Limited

Financial Statements

Year ended 30 June 2018

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Kidzcare Limited

Officers and Professional Advisers

Director	A Dunn
Company secretary	A Dunn
Registered office	Norwood House 9 Kilgraston Road Edinburgh EH9 2DX
Accountants	Charles Burrows & Co Chartered Accountants 7 Palmerston Place Edinburgh EH12 5AH

Kidzcare Limited

Statement of Financial Position

30 June 2018

		2018		2017	
	Note	£	£	£	£
Fixed assets					
Intangible assets	6		384,646		432,730
Tangible assets	7		670,835		671,405
Investments	8		100		100
			<u>1,055,581</u>		<u>1,104,235</u>
Current assets					
Debtors	9	50,550		154,547	
Cash at bank and in hand		<u>348,141</u>		<u>249,398</u>	
		398,691		403,945	
Creditors: amounts falling due within one year	10	<u>387,146</u>		<u>459,424</u>	
Net current assets/(liabilities)			11,545		(55,479)
Total assets less current liabilities			<u>1,067,126</u>		<u>1,048,756</u>
Creditors: amounts falling due after more than one year	11		324,510		522,631
Provisions					
Taxation including deferred tax			<u>33,520</u>		<u>35,331</u>
Net assets			<u><u>709,096</u></u>		<u><u>490,794</u></u>

The statement of financial position
continues on the following page.

The notes on pages 5 to 13 form part of these financial statements.

Kidzcare Limited

Statement of Financial Position *(continued)*

30 June 2018

	Note	2018	2017
		£	£
Capital and reserves			
Called up share capital		500	500
Revaluation reserve		195,730	193,919
Capital redemption reserve		500	500
Profit and loss account		512,366	295,875
Shareholder funds		<u>709,096</u>	<u>490,794</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 18 March 2019, and are signed on behalf of the board by:



A Dunn
Director

Company registration number: SC214161

Kidzcare Limited

Statement of Changes in Equity

Year ended 30 June 2018

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 2016	500	191,038	500	134,694	326,732
Profit for the year				164,062	164,062
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	—	2,881	—	(2,881)	—
Total comprehensive income for the year	—	2,881	—	161,181	164,062
At 30 June 2017	500	193,919	500	295,875	490,794
Profit for the year				223,302	223,302
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	—	1,811	—	(1,811)	—
Total comprehensive income for the year	—	1,811	—	221,491	223,302
Dividends paid and payable	—	—	—	(5,000)	(5,000)
Total investments by and distributions to owners	—	—	—	(5,000)	(5,000)
At 30 June 2018	<u>500</u>	<u>195,730</u>	<u>500</u>	<u>512,366</u>	<u>709,096</u>

The notes on pages 5 to 13 form part of these financial statements.

Kidzcare Limited

Notes to the Financial Statements

Year ended 30 June 2018

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Norwood House, 9 Kilgraston Road, Edinburgh, EH9 2DX.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents amounts derived from the provision of childcare services during the year.

Revenue based local authority grants are included within deferred income in the balance sheet and are credited to turnover in the period to which they relate.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

3. Accounting policies *(continued)*

Taxation *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 10% straight line
Lease premium	- 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line

No depreciation is provided on heritable property as it is the company's policy to maintain it so as to extend its useful life. Costs of repairs and renewals are charged against revenue in the year in which they are incurred.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Kidzcare Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2018

3. Accounting policies (continued)

Defined contribution plans (continued)

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 139 (2017: 211).

5. Tax on profit

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax expense	60,000	51,463
Deferred tax:		
Origination and reversal of timing differences	(1,811)	(2,881)
Tax on profit	<u>58,189</u>	<u>48,582</u>

6. Intangible assets

	Goodwill £	Lease premium £	Total £
Cost			
At 1 July 2017 and 30 June 2018	<u>662,307</u>	<u>233,255</u>	<u>895,562</u>
Amortisation			
At 1 July 2017	334,494	128,338	462,832
Charge for the year	<u>36,420</u>	<u>11,664</u>	<u>48,084</u>
At 30 June 2018	<u>370,914</u>	<u>140,002</u>	<u>510,916</u>
Carrying amount			
At 30 June 2018	<u>291,393</u>	<u>93,253</u>	<u>384,646</u>
At 30 June 2017	<u>327,813</u>	<u>104,917</u>	<u>432,730</u>

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

7. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 2017	650,000	24,405	16,200	690,605
Additions	1,500	8,268	–	9,768
At 30 June 2018	<u>651,500</u>	<u>32,673</u>	<u>16,200</u>	<u>700,373</u>
Depreciation				
At 1 July 2017	–	11,100	8,100	19,200
Charge for the year	–	6,287	4,051	10,338
At 30 June 2018	<u>–</u>	<u>17,387</u>	<u>12,151</u>	<u>29,538</u>
Carrying amount				
At 30 June 2018	<u>651,500</u>	<u>15,286</u>	<u>4,049</u>	<u>670,835</u>
At 30 June 2017	<u>650,000</u>	<u>13,305</u>	<u>8,100</u>	<u>671,405</u>

Tangible assets held at valuation

The freehold property was revalued at £650,000 on 28 May 2015, by Jones Lang LaSalle chartered surveyors, on a current market value basis.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 30 June 2018	
Aggregate cost	420,750
Aggregate depreciation	–
Carrying value	<u>420,750</u>
At 30 June 2017	
Aggregate cost	420,750
Aggregate depreciation	–
Carrying value	<u>420,750</u>

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

7. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 30 June 2018	4,049
At 30 June 2017	8,100

8. Investments

	Shares in group undertaking s £
Cost	
At 1 July 2017 and 30 June 2018	218,223
Impairment	
At 1 July 2017 and 30 June 2018	218,123
Carrying amount	
At 30 June 2018	100
At 30 June 2017	100

Subsidiary undertakings

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
All held by the company:				
Little VIPs Nurseries Ltd.	Scotland	Ordinary	100%	Non trading

The net liabilities of Little VIPs Nurseries Ltd. at 30 June 2018 was £11 (2017 - net assets £10,752). The loss for the year was £10,763 (2017 - profit £14,108). During the year, the director has written off the intercompany loan of £10,764. At 30 June 2018, Little VIPs Nurseries Ltd. owed £nil to Kidzcare Limited (2017 £574).

Under the provision of section 384 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

9. Debtors

	2018	2017
	£	£
Trade debtors	32,875	63,048
Amounts owed by group undertakings	—	574
Prepayments and accrued income	17,675	90,925
	<u>50,550</u>	<u>154,547</u>

10. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	130,976	174,073
Trade creditors	28,403	69,087
Accruals and deferred income	123,497	121,104
Corporation tax	60,000	51,463
Social security and other taxes	30,801	28,904
Obligations under finance leases and hire purchase contracts	3,494	2,970
Other creditors	9,975	11,823
	<u>387,146</u>	<u>459,424</u>

The bank loans are secured by a standard security over the company's property, a bond and floating charge over the company's assets, a guarantee from the director and a charge over the director's properties.

11. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	321,328	515,955
Obligations under finance leases and hire purchase contracts	3,182	6,676
	<u>324,510</u>	<u>522,631</u>

Included within creditors: amounts falling due after more than one year is an amount of £114,477 (2017: £275,521) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loans are secured by a standard security over the company's property, a bond and floating charge over the company's assets, a guarantee from the director and a charge over the director's properties.

Kidzcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	34,744	31,639
Later than 1 year and not later than 5 years	43,709	64,831
Later than 5 years	138,356	238,356
	<u>216,809</u>	<u>334,826</u>

13. Related party transactions

The company was under the control of A Dunn throughout the current and previous year. A Dunn is the sole director and shareholder.