

Company Registration No. 07431607

**Droitwich Spa Nursery and
Kindergarten Limited
Annual Report and Financial Statements**

For the year ended 31 December 2019



Droitwich Spa Nursery and Kindergarten Limited

Annual report and financial statements For the year ended 31 December 2019

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Droitwich Spa Nursery and Kindergarten Limited

Directors' report

The directors present their strategic report for the year ended 31 December 2019. The previous period is for the 13 months ended 31 December 2018, so the results are not directly comparable.

Business review and future developments

The company has been dormant throughout the current year. The company's principal activity was the provision of childcare services, until the trade and net assets were transferred on 31 December 2018 when the company ceased to trade and became dormant. The company is part of the Busy Bees group of companies ('the group').

On 31 December 2018, as part of a group reorganisation exercise, the company transferred its trade and certain net assets to another group subsidiary, Busy Bees Nurseries Limited. The company also reduced its share capital to one share at £1 and realised part of its capital reserves through a capital reduction. The company then declared a dividend to its parent company, Busy Bees Holdings Limited.

Key risks

Due to the company no longer trading, the directors believe there are no key risks for this company.

Going concern

As the company no longer trades, the directors have prepared the financial statements on a basis other than a going concern. No adjustments to the financial statements arose as a result of ceasing to apply the going concern basis.

Dividends

The directors declared and paid a dividend in the year of £392,000 (13 months ended 31 December 2018: £86,000).

Directors

The directors who held office during the period and subsequently were as follows:

S A Irons
M P Muller
C Phizacklea
M J Randles

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on their behalf of the board:



M P Muller
Director
9 December 2020

St Matthews
Shaftsbury Drive
Burntwood
Staffordshire
WS7 9QP
United Kingdom

Droitwich Spa Nursery and Kindergarten Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Droitwich Spa Nursery and Kindergarten Limited

Statement of comprehensive income For the year ended 31 December 2019

		Year ended 31 December 2019 £'000	13 months ended 31 December 2018 £'000
	Note		
Turnover	4	-	1,184
Cost of sales		-	(656)
Gross profit		-	528
Administrative expenses		-	(594)
Result/(loss) before taxation	5	-	(66)
Tax on result/(loss)	7	-	(77)
Result/(loss) for the financial period/year		-	(137)

All amounts relate to discontinued activities.

There are no gains and losses for the financial year/period other than as stated in the profit and loss account above.

The notes on pages 6 to 13 form part of these financial statements.

Droitwich Spa Nursery and Kindergarten Limited

Balance sheet

As at 31 December 2019

	Note	2019 £'000	2018 £'000
Current assets			
Debtors	9	-	392
Net assets		-	392
Capital and reserves			
Called-up share capital	10	-	-
Profit and loss account		-	392
Total shareholder's funds		-	392

For the year ended 31 December 2019 the company was entitled to the exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

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

These financial statements of Droitwich Spa Nursery and Kindergarten Limited (registered number 07431607) were approved by the board of directors and authorised for issue on 9 December 2020. They were signed on its behalf by:



M P Muller
Director

The notes on pages 6 to 13 form part of these financial statements.

Droitwich Spa Nursery and Kindergarten Limited

Statement of changes in equity For the year ended 31 December 2019

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 30 November 2017	-	615	615
Loss for the financial period	-	(137)	(137)
Dividends paid during the period	-	(86)	(86)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	392	392
Result for the financial year	-	-	-
Dividends paid during the year	-	(392)	(392)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	-	-
	<hr/>	<hr/>	<hr/>

The notes on pages 6 to 13 form part of these financial statements.

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements For the year ended 31 December 2019

1. Basis of preparation

Droitwich Spa Nursery and Kindergarten Limited ("the company") is a company incorporated in England, United Kingdom under the Companies Act 2006. The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1.

These financial statements have been prepared under the historical cost basis of accounting, as modified to include certain items at fair value as at the date of transition to Financial Reporting Standard 102 (FRS 102) as explained below, and in accordance with FRS 102 and with the Companies Act 2006.

2. Accounting policies

Going concern

As the company no longer trades, the directors have prepared the financial statements on a basis other than a going concern. No adjustments to the financial statements arose as a result of ceasing to apply the going concern basis.

Transfer of trade and assets

On 31 December 2018, as part of a group reorganisation exercise, the Company transferred its entire trade and assets at net book value to another group subsidiary, Busy Bees Nurseries Limited. The Company also reduced its share capital to £1 nominal value and realised its capital reserves through a capital reduction. The Company then declared a dividend to its parent Company, Busy Bees Holdings Limited. Following the year end the company is now dormant and it is expected that this company will eventually be dissolved.

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. 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 group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued) **For the year ended 31 December 2019**

2. Accounting policies (continued)

Financial instruments (continued)

- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Related party transactions

The company is exempt from the requirements of section 33 of FRS 102 to disclose transactions with other wholly-owned group undertakings as its financial statements are included in the consolidated financial statements of a parent company whose financial statements are publically available.

Intangible assets — goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Nursery and office equipment	over four to five years
Motor vehicles	over four years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on straight-line basis over the lease term.

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

2. Accounting policies (continued)

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less than the value at which it is recognised, a deferred tax liability is recognised for the additional tax that will be paid in respect of that difference. Similarly, a deferred tax asset is recognised for the additional tax that will be avoided because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment carried at deemed cost is provided based on the difference between the accounts and tax base costs.

Deferred tax assets and liabilities are offset only if the company has a legally enforceable right to set off current tax assets against current tax liabilities.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Pension costs

The company contributes to a number of money purchase pension schemes. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension charge represents the amounts payable by the company to the schemes during the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

3. Accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from the sources. The estimates and associated assumptions relate to provisioning against receivables and recognition of grant income and 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 if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

There were no critical accounting judgements or estimates in either the current or prior periods.

4. Turnover

Turnover represents the value of sales, excluding value added tax and is attributable to the company's principal activity and arises wholly within the United Kingdom. Nursery fees paid in advance are held in deferred income and only recognised in the period to which they relate. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

5. Result/(loss) before taxation

	Year ended 31 December 2019 £'000	13 months ended 31 December 2018 £'000
Operating result/(loss) is stated after charging:		
Impairment of intangible assets	-	382
Amortisation of intangible assets	-	20
Depreciation of tangible fixed assets	-	58
Hire of land & buildings – operating leases	-	17

The company's financial statements are unaudited this year so no associated costs (13 months ended 31 December 2018: £3,000).

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

6. Staff numbers and costs

The average monthly number of persons employed during the period was:

	Number of employees
Year ended	13 months
31 December	ended 31
2019	December
No.	2018
	No.
Administrative and management	- 2
Nursery staff	- 24
	<hr/>
	- 26
	<hr/>

The aggregate payroll costs of these persons were as follows:

	Year ended	13 months
	31 December	ended 31
	2019	December
	£'000	2018
		£'000
Wages and salaries	- 563	
Social security costs	- 30	
Pension	- 5	
	<hr/>	<hr/>
	- 598	
	<hr/>	<hr/>

During the period, no director received any emoluments for services to the company (13 months ended 31 December 2018: former directors £12,000). All current directors received emoluments from other group companies for their services to all group companies. It is not considered practical or possible to accurately apportion these costs to each entity in the group. Given the relative size of the respective entities, the effect of not apportioning these costs for disclosure purposes is not considered to be material. Directors pension costs were £nil (2018: £nil).

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

7. Taxation

	Year ended 31 December 2019 £'000	13 months ended 31 December 2018 £'000
Current tax (see note below)		
Current tax on result/(loss) for the year/period	-	74
Adjustment in respect of prior periods	-	3
Total current tax charge	-	77
Deferred tax		
Origination and reversal of timing differences	-	(7)
Adjustment in respect of previous periods	-	1
Total deferred tax	-	(5)
Tax charge	-	72

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the result/(loss) before tax is as follows:

	Year ended 31 December 2019 £'000	13 months ended 31 December 2018 £'000
Result/(loss) before tax	-	(66)
Tax on result/(loss) at standard UK corporation tax rate of 19% (13 months ended 31 December 2018: 19.00%)	-	(12)
Effect of:		
- Expenses not deductible for tax purposes	-	3
- Amortisation and impairment of goodwill	-	77
- Adjustment in respect of previous periods	-	4
Total tax charge for the year/period	-	72

Factors that may affect future tax charges

The standard rate of tax applied to the reported profit is 19% (13 months ended 31 December 2018: 19%).

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2016 and a further reduction to 17% (effective 1 April 2020) was substantively enacted in September 2016. These reductions will further reduce the companies' current tax charge. The budget post year end has amended this to hold rates at 19%. As not substantively enacted at 31 December 2019 these have not been reflected in the valuation of the valuation of deferred tax assets and liabilities at the balance sheet date.

The deferred tax balances at 31 December 2018 and 31 December 2018 have been calculated based on the rates that were substantively enacted at the balance sheet dates that will apply when the timing differences are expected to reverse. Accordingly, a rate of 17% has been used as at 31 December 2018 and 17% as at 31 December 2018.

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

8. Intangible fixed assets

	Goodwill £ '000
Cost	
At 1 January 2019	600
Disposals	(600)
	<hr/>
At 31 December 2019	-
	<hr/>
Accumulated depreciation	
At 1 January 2019	600
Disposals	(600)
	<hr/>
At 31 December 2019	-
	<hr/>
Net book value	
At 31 December 2019	-
	<hr/>
At 31 December 2018	-
	<hr/>

9. Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	-	392
	<hr/>	<hr/>

There is no repayment date attached to the amount owed by group undertakings. There was no interest charged on the amounts owed by group undertakings (2018: nil).

10. Called up share capital

	2019 £	2018 £
Authorised, Called up, allotted and fully paid		
100 Ordinary shares of £0.01 each	1	1
	<hr/>	<hr/>

11. Commitments

- (a) The company had no capital commitments at 31 December 2019 (2018: £nil).
- (b) The company had no commitments under non-cancellable operating leases (2018: £nil).

12. Pensions

The group operates a money purchase scheme for the benefit of certain employees. Contributions are charged to the profit and loss account in the period to which they relate. The charge in the year ended 31 December 2018 was £nil (13 months ended 31 December 2018: £5,000).

Droitwich Spa Nursery and Kindergarten Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

13. Related party transactions

The company has taken the exemption available under FRS 102 not to disclose related party transactions with other 100% controlled members of the same group.

14. Controlling parties

The company's immediate parent undertaking is Busy Bees Holdings Limited. The largest group into which the company is consolidated is the group headed by Eagle Superco Limited and the smallest group into which the company is consolidated is the group headed by Eagle Midco Limited. Busy Bees Holdings Limited, Eagle Superco Limited and Eagle Midco Limited are all incorporated in the United Kingdom and registered at St Matthews, Shaftsbury Drive, Burntwood, Staffordshire, WS7 9QP. The consolidated financial statements of Eagle Superco Limited can be obtained from the company's registered address above. The ultimate parent company is Eagle Superco Limited and the ultimate controlling party is the Ontario Teachers' Pension Plan incorporated in Canada, its registered address is 5650 Yonge Street, Toronto, Ontario, M2M 2H5.