

Company Registration No. 05788057 (England and Wales)

**ALMNERS (CHILDCARE) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2016**



# ALMNERS (CHILDCARE) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M G Watson A M Watson
<b>Secretary</b>	M G Watson
<b>Company number</b>	05788057
<b>Registered office</b>	6 The Hydons Salt Lane Hydestile Godalming GU8 4DD
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
<b>Business address</b>	Almners Priory Almners Road Lyne Chertsey Surrey KT16 0BH

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# **ALMNERS (CHILDCARE) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The directors present their annual report and financial statements for the year ended 31 August 2016.

### **Principal activities**

The principal activity of the company during year was that of a children's nursery.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M G Watson

A M Watson

### **Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



M G Watson

Director

18/5/17

# **ALMNERS (CHILDCARE) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016**

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The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors' are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMNERS (CHILDCARE) LIMITED

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### Opinion on financial statements

We have audited the financial statements on pages 4 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



Karen Musgrave (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire, PR2 5PE

30/5/17

# ALMNERS (CHILDCARE) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

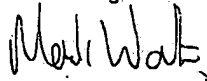
		2016 £	2015 £
	Notes		
Turnover		2,644,719	2,404,458
Cost of sales		(1,305,095)	(1,249,994)
<b>Gross profit</b>		<b>1,339,624</b>	<b>1,154,464</b>
Administrative expenses		(696,845)	(1,062,273)
<b>Operating profit</b>	<b>4</b>	<b>642,779</b>	<b>92,191</b>
Interest payable and similar expenses		(102,757)	(102,753)
Other gains and losses		1,821,749	-
<b>Profit/(loss) before taxation</b>		<b>2,361,771</b>	<b>(10,562)</b>
Taxation		(107,888)	(52,480)
<b>Profit/(loss) for the financial year</b>	<b>12</b>	<b>2,253,883</b>	<b>(63,042)</b>

**ALMNERS (CHILDCARE) LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	5	1,933,074		2,133,074	
Tangible assets	6	176,082		214,755	
		<u>2,109,156</u>		<u>2,347,829</u>	
<b>Current assets</b>					
Stocks		6,571		8,462	
Debtors	7	26,778		353,627	
Cash at bank and in hand		441,535		209,596	
		<u>474,884</u>		<u>571,685</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(432,209)</u>		<u>(400,348)</u>	
<b>Net current assets</b>		<u>42,675</u>		<u>171,337</u>	
<b>Total assets less current liabilities</b>		<u>2,151,831</u>		<u>2,519,166</u>	
<b>Creditors: amounts falling due after more than one year</b>	9	-		(2,621,218)	
<b>Provisions for liabilities</b>	10	<u>(347,630)</u>		<u>(347,630)</u>	
<b>Net assets/(liabilities)</b>		<u>1,804,201</u>		<u>(449,682)</u>	
<b>Capital and reserves</b>					
Called up share capital	11	2		2	
Other reserves	12	-		205,507	
Profit and loss reserves	12	1,804,199		(655,191)	
<b>Total equity</b>		<u>1,804,201</u>		<u>(449,682)</u>	

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 18/5/17 and are signed on its behalf by:



M G Watson  
Director

# ALMNERS (CHILDCARE) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 September 2014	2	205,507	(592,149)	(386,640)
Year ended 31 August 2015:				
Loss and total comprehensive income for the year	-	-	(63,042)	(63,042)
Balance at 31 August 2015	2	205,507	(655,191)	(449,682)
Year ended 31 August 2016:				
Profit and total comprehensive income for the year	-	-	2,253,883	2,253,883
Other	-	(205,507)	205,507	-
Balance at 31 August 2016	2	-	1,804,199	1,804,201



# **ALMNERS (CHILDCARE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **1 Accounting policies**

##### **Company information**

Almnerns (Childcare) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 The Hydons, Salt Lane, Hydestile, Godalming, GU8 4DD.

##### **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. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Almnerns (Childcare) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Almnerns (Childcare) Limited for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 16.

##### **Going concern**

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 the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Turnover**

Turnover represents the invoiced amounts in relation to the provision of childcare services except amounts invoiced in advance. Turnover is recognised equally over the period the services are delivered.

##### **Intangible fixed assets - goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset of 20 years.

##### **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.

# ALMNERS (CHILDCARE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies (Continued)

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 land	Not depreciated
Leasehold property improvements	Over the term of the lease
Plant and machinery	25% on cost
Motor vehicles	25% on cost

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.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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. 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.

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.

# ALMNERS (CHILDCARE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies (Continued)

#### **Basic financial assets**

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

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

#### **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 loans from fellow group companies 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 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 period.

# ALMNERS (CHILDCARE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies (Continued)

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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 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

For defined contribution schemes the amount charged to profit or loss 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.

#### 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.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 64 (2015 - 58).

### 3 Directors' remuneration

	2016	2015
	£	£
Remuneration paid to directors	40,284	40,284

Dividends totalling £0 (2015 - £0) were paid in the year in respect of shares held by the company's directors.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

# ALMNERS (CHILDCARE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	4,600	4,600

Included in other gains and losses is an exceptional item of £1,821,749 relating to the write off of an intercompany creditor.

### 5 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 September 2015 and 31 August 2016	4,000,000
<b>Amortisation and impairment</b>	
At 1 September 2015	1,866,926
Amortisation charged for the year	200,000
At 31 August 2016	2,066,926
<b>Carrying amount</b>	
At 31 August 2016	1,933,074
At 31 August 2015	2,133,074

# ALMNERS (CHILDCARE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Tangible fixed assets

	Freehold land	Leasehold property improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2015	23,750	576,618	429,308	29,970	1,059,646
Additions	-	38,380	24,677	-	63,057
Disposals	-	-	-	(17,970)	(17,970)
At 31 August 2016	23,750	614,998	453,985	12,000	1,104,733
<b>Depreciation and impairment</b>					
At 1 September 2015	-	420,231	402,190	22,470	844,891
Depreciation charged in the year	-	77,233	21,497	3,000	101,730
Eliminated in respect of disposals	-	-	-	(17,970)	(17,970)
At 31 August 2016	-	497,464	423,687	7,500	928,651
<b>Carrying amount</b>					
At 31 August 2016	23,750	117,534	30,298	4,500	176,082
At 31 August 2015	23,750	156,387	27,118	7,500	214,755

### 7 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from group undertakings and undertakings in which the company has a participating interest	15,303	343,198
Other debtors	9,614	8,568
	24,917	351,766
Deferred tax asset	1,861	1,861
	26,778	353,627

### 8 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	288,425	312,966
Corporation tax	108,885	53,462
Other taxation and social security	16,958	15,959
Other creditors	17,941	17,961
	432,209	400,348

## ALMNERS (CHILDCARE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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**9 Creditors: amounts falling due after more than one year**

	2016 £	2015 £
Other creditors	-	2,621,218
	<u>          </u>	<u>          </u>

Amounts in other creditors relate to amounts owed to fellow group undertakings.

**10 Provisions for liabilities**

	2016 £	2015 £
Deferred tax liabilities	347,630	347,630
	<u>347,630</u>	<u>347,630</u>

**11 Called up share capital**

	2016 £	2015 £
Ordinary share capital Issued and fully paid 2 Ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

**12 Reserves**

**Other reserve**

The long term creditor balance was discounted on transition creating a capital contribution of £205,507. This amount was released to the profit and loss reserve in the current year when the discounting period ended.

**13 Financial commitments, guarantees and contingent liabilities**

The company has entered into an unlimited cross guarantee arrangement guaranteeing the bank borrowing of other group undertakings being Sandene Estates Limited, Garish Lion Limited and Almnors Priory Limited. The total amount of bank borrowings at the year end was £6,288,835 (2015 - £5,683,151).

# ALMNERS (CHILDCARE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 14 Operating lease commitments

#### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

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:

	2016 £	2015 £
Within one year	2,970	17,395

### 15 Parent company

The company was under the control of its directors who own the majority of the share capital of the parent company, Garish Lion Limited, throughout the whole of the current and previous period.

#### Ultimate parent company

The directors consider the ultimate parent company to be Garish Lion Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of Garish Lion Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### 16 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	Notes	1 September 2014 £	31 August 2015 £
Equity as reported under previous UK GAAP		(244,517)	(204,806)
Adjustments arising from transition to FRS 102:			
Discounting interest free loan from Garish Lion Limited	A	205,507	102,754
Deferred tax on fair value adjustments	B	(347,630)	(347,630)
Equity reported under FRS 102		<u>(386,640)</u>	<u>(449,682)</u>

#### Reconciliation of profit/(loss) for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		39,711
Adjustments arising from transition to FRS 102:		
Discounting interest free loan from Garish Lion Limited	A	(102,753)
Loss reported under FRS 102		<u>(63,042)</u>



## **ALMNERS (CHILDCARE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **16 Reconciliations on adoption of FRS 102 (Continued)**

##### **Notes to reconciliations on adoption of FRS 102**

###### **A. Interest free loan from Garish Lion Limited**

FRS102 requires creditors due over 1 year to be discounted where no interest is paid on those balances. As a result, the relevant balances have been discounted to market rate resulting in a net adjustment at transition of £205,507 to reduce the liability in the financial statements. This has also reduced the liability in the comparative financial statements for the year ended 30 April 2015 by £102,754.

###### **B. Deferred tax on fair value adjustments**

FRS102 requires deferred tax to be provided on fair value adjustments on business combinations. This has resulted in a deferred tax provision that has reduced equity by £347,630.