

Hickory House Children's Day Nursery Limited

**Annual Report and Unaudited Financial
Statements**

Year ended

31 December 2021



Hickory House Children's Day Nursery Limited

Financial Statements

Year ended 31 December 2021

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Hickory House Children's Day Nursery Limited

Officers and Professional Advisers

THE BOARD OF DIRECTORS

E Boland
J Butler
J Casagrande
R Marshall

COMPANY SECRETARY

S Kramer

REGISTERED OFFICE

2 Crown Way
Rushden
England
NN10 6BS

Hickory House Children's Day Nursery Limited

Directors' Report

Year ended 31 December 2021

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2021.

Principal Activities

The principal activity of the company is the operation of private day nurseries.

Directors

The directors who served the company during the year were as follows:

E Boland
G Fee
J Casagrande
R Marshall

Since the year end there been the following director appointments and resignations:

G Fee	(Resigned 29 April 2022)
J Butler	(Appointed 2 May 2022)

Qualifying Indemnity Provision

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and remains in place to the date of this report.

Audit Exemption

Under Section 497C of the Companies Act 2006 the Directors have taken the exemption from an audit for the year ended 31 December 2021 for these statutory accounts. The ultimate parent company, BHFS One Limited (company registration number 03943330) has guaranteed all outstanding liabilities to which the company is subject at 31 December 2021 until they are satisfied in full.

Small Company Provisions

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

This report was approved by the board of directors on Aug 11, 2022 and signed on behalf of the board by:

John Butler
John Butler (Aug 11, 2022 12:38:07+01)

J Butler
Director

Hickory House Children's Day Nursery Limited

Statement of Comprehensive Income

Year ended 31 December 2021

	Note	2021 £	2020 £
TURNOVER		824,132	650,330
Cost of sales		(391,210)	(407,842)
GROSS PROFIT		432,922	242,488
Administrative expenses		(380,091)	(346,853)
Other operating income	4	3,948	129,649
OPERATING PROFIT	5	56,779	25,284
PROFIT BEFORE TAXATION		56,779	25,284
Tax on profit		525	1,646
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>57,304</u>	<u>26,930</u>

All the activities of the company are from continuing operations.

The notes on pages 7 to 13 form part of these financial statements.

Hickory House Children's Day Nursery Limited

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	169,556	215,935
CURRENT ASSETS			
Debtors	9	1,114,635	1,008,340
CREDITORS: amounts falling due within one year	10	(117,820)	(115,417)
NET CURRENT ASSETS		996,815	892,923
TOTAL ASSETS LESS CURRENT LIABILITIES		1,166,371	1,108,858
PROVISIONS			
Taxation including deferred tax		(7,332)	(7,857)
Other provisions		(12,173)	(11,439)
		(19,505)	(19,296)
NET ASSETS		1,146,866	1,089,562
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		1,146,766	1,089,462
SHAREHOLDERS FUNDS		1,146,866	1,089,562

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 7 to 13 form part of these financial statements.

Hickory House Children's Day Nursery Limited

Statement of Financial Position *(continued)*

31 December 2021

These financial statements were approved by the board of directors and authorised for issue on Aug.11, 2022....., and are signed on behalf of the board by:

John Butler
John Butler as at Aug 11, 2022 12:45:07-1

J Butler
Director

Company registration number: 03998957

The notes on pages 7 to 13 form part of these financial statements.

Hickory House Children's Day Nursery Limited

Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2020	100	1,062,532	1,062,632
Profit for the year	—	26,930	26,930
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	26,930	26,930
AT 31 DECEMBER 2020	100	1,089,462	1,089,562
Profit for the year	—	57,304	57,304
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	57,304	57,304
AT 31 DECEMBER 2021	100	1,146,766	1,146,866

The notes on pages 7 to 13 form part of these financial statements.

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. GENERAL INFORMATION

Hickory House Children's Day Nursery Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office can be found on the officers and professional advisers page. The nature of the company's operations and its principal activities can be found in the directors' report.

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

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis convention unless otherwise specified within these accounting policies.

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

3.2 Going concern

In the light of the coronavirus pandemic and the subsequent lock down in the UK, the directors have reviewed the current financial performance and the liquidity of the business.

The UK group is 100% owned by Bright Horizons Family Solutions Inc., a Company incorporated in the USA and listed on New York Stock Exchange. The parent company has declared its ability and willingness to support the UK business as it continues its recovery from the COVID 19 pandemic, by providing liquidity where required.

The directors, having reviewed current performance and forecasts, and the factors listed above, have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

3.3 Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of BHFS One Limited as at 31 December 2021 and these financial statements may be obtained from The Secretary, 2 Crown Way, Rushden, Northamptonshire, NN10 6BS.

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

3.4 Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis
- Determine whether there are indicators of impairment of the company's fixed asset investments and amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Key assumptions include:

Discount rates

The discount rate is a pre tax adjusted discount rate of 4.72% (2020: 4.72%) and reflects management's estimate of the company's weighted average cost of capital.

Long term growth rates

The management forecasts are extrapolated using growth of 3% and assumptions relevant for the business sector and are based on industry research.

Dilapidation provision

As part of the company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit or loss as the obligation arises. The provision is expected to be utilised as the leases terminate.

3.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

3.6 Revenue recognition

Turnover represents sales to external customers at invoiced amounts net of discounts less value added tax or local taxes on sales. Revenue is recognised on performance of underlying services which is based on attendance at the company's nurseries.

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

3.7 Current and deferred taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rate and laws that have been enacted or substantially enacted by the Statement of Financial Position date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

3.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

3.9 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

3.10 Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Short leasehold property	-	Over the shorter of 15 years or the remaining term of the lease
Fixtures and fittings	-	14% straight line
Office equipment	-	10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

3.11 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

3.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out right short term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3.13 Defined contribution plans

Contributions to the company's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the period in which they become payable.

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grant income	<u>3,948</u>	<u>129,649</u>

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	45,239	47,019
Defined contribution pension cost	<u>13,634</u>	<u>14,609</u>

6. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 30 (2020: 35).

7. DIRECTORS' REMUNERATION

No director received any emoluments during the current year (2020: £Nil).

There were no directors in the company's defined contribution pension scheme during the year (2020: Nil).

Directors' costs are borne by Bright Horizons Family Solutions Limited and Bright Horizons Family Solutions Inc.

8. TANGIBLE ASSETS

	Long leasehold property £	Fixtures and fittings £	Office equipment £	Assets in the course of construction £	Total £
Cost					
At 1 January 2021	487,121	28,594	22,206	1,140	539,061
Transfers	—	—	—	(1,140)	(1,140)
At 31 December 2021	<u>487,121</u>	<u>28,594</u>	<u>22,206</u>	<u>—</u>	<u>537,921</u>
Depreciation					
At 1 January 2021	297,354	9,472	16,300	—	323,126
Charge for the year	38,390	3,406	3,443	—	45,239
At 31 December 2021	<u>335,744</u>	<u>12,878</u>	<u>19,743</u>	<u>—</u>	<u>368,365</u>
Carrying amount					
At 31 December 2021	<u>151,377</u>	<u>15,716</u>	<u>2,463</u>	<u>—</u>	<u>169,556</u>
At 31 December 2020	<u>189,767</u>	<u>19,122</u>	<u>5,906</u>	<u>1,140</u>	<u>215,935</u>

Hickory House Children's Day Nursery Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

9. DEBTORS

	2021	2020
	£	£
Trade debtors	15,106	8,222
Amounts owed by group undertakings	1,082,940	994,701
Prepayments and accrued income	16,589	5,417
	<u>1,114,635</u>	<u>1,008,340</u>

All amounts owed by group undertakings are unsecured and not subject to any fixed repayment date. The debt is repayable on demand and therefore classified as due within one year.

10. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	108,026	92,214
Social security and other taxes	—	7,576
Other creditors	9,794	15,627
	<u>117,820</u>	<u>115,417</u>

11. OPERATING LEASES

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

	2021	2020
	£	£
Not later than 1 year	65,000	65,000
Later than 1 year and not later than 5 years	260,000	260,000
Later than 5 years	216,492	281,492
	<u>541,492</u>	<u>606,492</u>

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

13. CONTROLLING PARTY

The company's immediate parent undertaking is Asquith Nurseries Limited, a company incorporated in England and Wales. The company's ultimate controlling party is Bright Horizon Family Solutions Inc., which is the ultimate parent company incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed by Bright Horizons Family Solutions Inc., incorporated in the United States of America. the smallest group in which they are consolidated is that headed by BHFS One Limited, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from The Secretary, BHFS One Limited, 2 Crown Court, Rushden, Northamptonshire, NN10 6BS.