

## **Chestnutbay Limited**

Report and Financial Statements

Period Ended

31 December 2016

Company Number 04134749

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# Chestnutbay Limited

## Company Information

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<b>Directors</b>	E Boland S Dreier D Lissy J Tugendhat
<b>Company secretary</b>	S Kramer
<b>Registered number</b>	04134749
<b>Registered office</b>	2 Crown Way Rushden Northampton NN10 6BS
<b>Independent auditors</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# **Chestnutbay Limited**

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# **Chestnutbay Limited**

## **Directors' Report For the Period Ended 31 December 2016**

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The directors present their report and the financial statements for the period ended 31 December 2016.

### **Directors' responsibilities statement**

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

### **Principal activity**

The principal activity of the company is that of a holding company.

### **Results and dividends**

The profit for the period, after taxation, amounted to £Nil (year ended 29 February 2016 - £Nil).

The directors do not propose the payment of a final dividend (year ended 29 February 2016 - £Nil).

### **Directors**

The directors who served during the period were:

E Boland (appointed 10 November 2016)  
S Dreier (appointed 10 November 2016)  
D Lissy (appointed 10 November 2016)  
J Tugendhat (appointed 10 November 2016)  
A Morris (resigned 1 December 2016)

# Chestnutbay Limited

## Directors' Report (continued) For the Period Ended 31 December 2016

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### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

BDO LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

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

This report was approved by the board on 28/9/2017 and signed on its behalf.

  
E Boland  
Director

# **Chestnutbay Limited**

## **Independent Auditors' Report to the Member of Chestnutbay Limited**

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We have audited the financial statements of Chestnutbay Limited for the period ended 31 December 2016 which comprise the statement of financial position, the statement of changes in equity and the related notes. 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).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the company's results for the period 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# Chestnutbay Limited

## Independent Auditors' Report to the Member of Chestnutbay Limited

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### 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 by the company, 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 directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



**Malcolm Thixton** (senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Southampton  
United Kingdom

Date: 29/9/2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Chestnutbay Limited

Registered number:04134749

## Statement of Financial Position As at 31 December 2016

		31 December 2016 £000	31 December 2016 £000	29 February 2016 £000	29 February 2016 £000
	Note				
Fixed assets					
Investments	7		1,950		1,950
Creditors: amounts falling due within one year	8	(5,021)		(5,021)	
Net liabilities			<u>(3,071)</u>		<u>(3,071)</u>
Capital and reserves					
Called up share capital	9		497		497
Share premium account	10		1,585		1,585
Profit and loss account	10		(5,153)		(5,153)
			<u>(3,071)</u>		<u>(3,071)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28/9/2017



E Boland  
Director

The notes on pages 7 to 12 form part of these financial statements.



# Chestnutbay Limited

## Statement of Changes in Equity For the Period Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 March 2016	497	1,585	(5,153)	(3,071)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Total transactions with owners	-	-	-	-
At 31 December 2016	497	1,585	(5,153)	(3,071)

## Statement of Changes in Equity For the Period Ended 29 February 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 March 2015	497	1,585	(5,153)	(3,071)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Total transactions with owners	-	-	-	-
At 29 February 2016	497	1,585	(5,153)	(3,071)

The notes on pages 7 to 12 form part of these financial statements.

# Chestnutbay Limited

## Notes to the Financial Statements For the Period Ended 31 December 2016

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### 1. General information

Chestnutbay Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities is stated in the Directors' Report.

#### *Going concern*

The directors have received written commitments from the ultimate parent undertaking that it will provide support to enable its liabilities to be met as they fall due, for a period of at least twelve months from the signing of these accounts. Consequently the directors believe that the going concern basis appropriate and the accounts have been prepared under that assumptions. No estimate has been prepared of the effect should this assumption prove to be incorrect.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

#### 2.2 Financial reporting standard 102 - reduced 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 2016 and these financial statements may be obtained from 2 Crown Way, Rushden, Northamptonshire, NN10 6BS.

#### 2.3 Going concern

The company had net liabilities and directors have prepared the financial statements on the going concern basis as it has the support of the ultimate parent undertaking, Bright Horizons Family Solutions Inc. The financial statement have been prepared on the going concern basis which is supported by forecasts and projections covering the period if not less than 12 months from the date these financial statements are approved.

# Chestnutbay Limited

## Notes to the Financial Statements For the Period Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.5 Financial instruments

The company only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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, 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.

# **Chestnutbay Limited**

## **Notes to the Financial Statements For the Period Ended 31 December 2016**

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### **2. Accounting policies (continued)**

#### **2.6 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. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's intangible assets and fixed asset investments. 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 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 assumptions relevant for the business sector and are based on industry research.

### **4. Auditors' remuneration**

The audit fee for the period will be borne by Bright Horizons Family Solutions Limited.

# Chestnutbay Limited

## Notes to the Financial Statements For the Period Ended 31 December 2016

### 5. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	31 December 2016 £000	29 February 2016 £000
Directors	4	1

### 6. Directors' remuneration

During the period, no director received any emoluments (year ended 29 February 2016 - £Nil).

There were no directors in the company's defined contribution pension scheme during the period (year ended 29 February 2016 - £Nil).

All directors' costs are borne by Bright Horizons Family Solutions Limited.

### 7. Fixed asset investments

	Shares in group undertakings and participating interests £000
<b>Cost or valuation</b>	
At 1 March 2016	1,950
At 31 December 2016	1,950
<b>Net book value</b>	
At 31 December 2016	1,950
At 29 February 2016	1,950

# Chestnutbay Limited

## Notes to the Financial Statements For the Period Ended 31 December 2016

### 7. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Acorndrive Limited	England	Ordinary	100 %	Holding Company

### 8. Creditors: Amounts falling due within one year

	31 December 2016 £000	29 February 2016 £000
Amounts owed to group undertakings	5,021	5,021

All amounts owed to 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.

### 9. Share capital

	31 December 2016 £000	29 February 2016 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
480,356 'A' Ordinary shares of £1 each	480	480
1,572,000 'B' Ordinary shares of £0.01 each	16	16
108,518 (2016 - 108,500) 'D' Ordinary shares of £0.01 each	1	1
	<b>497</b>	<b>497</b>

# Chestnutbay Limited

## Notes to the Financial Statements For the Period Ended 31 December 2016

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### 10. Reserves

The company's capital and reserves are as follows:

#### **Share Capital**

Called up share capital reserve represents the nominal value of the shares issued.

#### **Profit and loss account**

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

#### **Share premium**

The share premium account includes the premium on issue of equity shares, net of any issue costs.

### 11. Related party transactions

The company has taken advantage of the exemption available in section 33.1A of FRS 102 not to disclose transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 12. Ultimate parent company and controlling party

Prior to the 10 November 2016, the company's immediate parent undertaking was Chestnutbay AcquisitionCo Limited, a company registered in England and Wales. The company's ultimate parent undertaking was Kaupthing hf, a company incorporated in Iceland.

Prior to the 10 November 2016, the largest group in which the results of the company were consolidated was that headed by Conchord Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by Chestnutbay AcquisitionCo Limited, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from The Secretary, 2 Crown Court, Rushden, Northamptonshire, NN10 6BS.

Following the 10 November 2016, the company's immediate parent undertaking is Chestnutbay AcquisitionsCo 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.

Following the 10 November 2016, 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, 2 Crown Court, Rushden, Northamptonshire, NN10 6BS.