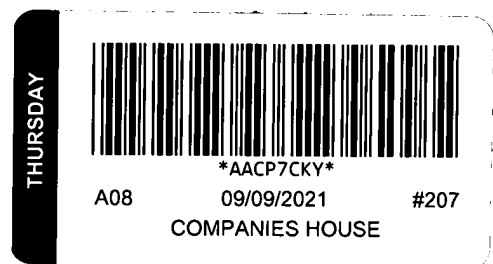


Norfolk Lodge School Limited

**Annual Report and Unaudited Financial
Statements**

Year ended

31 December 2020



Norfolk Lodge School Limited

Financial Statements

Year ended 31 December 2020

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Norfolk Lodge School Limited

Officers and Professional Advisers

THE BOARD OF DIRECTORS

E Boland
G Fee
J Casagrande
R Marshall

COMPANY SECRETARY

S Kramer

REGISTERED OFFICE

2 Crown Way
Rushden
England
NN10 6BS

Norfolk Lodge School Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2020.

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	(Appointed 16 April 2020)
J Casagrande	(Appointed 16 April 2020)
R Marshall	(Appointed 16 April 2020)
D Lissy	(Resigned 16 April 2020)
J Tugendhat	(Resigned 13 April 2020)
S Dreier	(Resigned 13 April 2020)

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 2020 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 2020 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 Jul 16, 2021 and signed on behalf of the board by:

GARY FEE
Gary Fee (Jul 16, 2021 12:21 GMT+1)

G Fee
Director

Norfolk Lodge School Limited
Statement of Comprehensive Income
Year ended 31 December 2020

	Note	2020 £	2019 £
TURNOVER		2,240,275	3,307,944
Cost of sales		<u>(1,312,501)</u>	<u>(1,412,099)</u>
GROSS PROFIT		927,774	1,895,845
Administrative expenses		(954,259)	(986,898)
Other operating income	4	<u>430,141</u>	<u>—</u>
OPERATING PROFIT	5	403,656	908,947
PROFIT BEFORE TAXATION		403,656	908,947
Tax on profit		<u>(9,024)</u>	<u>(2,623)</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>394,632</u>	<u>906,324</u>

All the activities of the company are from continuing operations.

The notes on pages 7 to 14 form part of these financial statements.

Norfolk Lodge School Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	8	2,672,484	2,787,636
CURRENT ASSETS			
Debtors	9	2,524,200	1,927,226
Cash at bank and in hand		400	732
		<u>2,524,600</u>	<u>1,927,958</u>
CREDITORS: amounts falling due within one year	10	<u>(298,013)</u>	<u>(222,094)</u>
NET CURRENT ASSETS		<u>2,226,587</u>	<u>1,705,864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,899,071</u>	<u>4,493,500</u>
PROVISIONS			
Deferred tax		(82,365)	(73,341)
Other provisions		(31,824)	(29,909)
		<u>(114,189)</u>	<u>(103,250)</u>
NET ASSETS		<u>4,784,882</u>	<u>4,390,250</u>
CAPITAL AND RESERVES			
Called up share capital		1,100	1,100
Profit and loss account		<u>4,783,782</u>	<u>4,389,150</u>
SHAREHOLDERS FUNDS		<u>4,784,882</u>	<u>4,390,250</u>

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 2020 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 14 form part of these financial statements.

Norfolk Lodge School Limited

Statement of Financial Position *(continued)*

31 December 2020

These financial statements were approved by the board of directors and authorised for issue on Jul 16, 2021....., and are signed on behalf of the board by:

Gary Fee
Gary Fee 16 Jul 2021 12:21 GMT+1

G Fee
Director

Company registration number: 04375139

The notes on pages 7 to 14 form part of these financial statements.

Norfolk Lodge School Limited

Statement of Changes in Equity

Year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2019	1,100	3,482,826	3,483,926
Profit for the year	—	906,324	906,324
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	906,324	906,324
AT 31 DECEMBER 2019	1,100	4,389,150	4,390,250
Profit for the year	—	394,632	394,632
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	394,632	394,632
AT 31 DECEMBER 2020	<u>1,100</u>	<u>4,783,782</u>	<u>4,784,882</u>

The notes on pages 7 to 14 form part of these financial statements.

Norfolk Lodge School Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. GENERAL INFORMATION

Norfolk Lodge School 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 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 2020 and these financial statements may be obtained from The Secretary, 2 Crown Way, Rushden, Northamptonshire, NN10 6BS.

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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 there are indicators of impairment of the company's tangible 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 adjustment discount rate of 4.72% (2019: 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.

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 when performance of underlying services based on attendance at the company's nurseries.

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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

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

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.

3.10 Depreciation

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

Depreciation is provided on the following basis:

Freehold property	-	2.5% on cost
Short leasehold property	-	Over the shorter of 15 years or the remaining term of the lease
Fixtures and fittings	-	14% straight line
Equipment	-	10% - 33% straight line

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

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

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

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.

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. ACCOUNTING POLICIES *(continued)*

3.12 Financial instruments *(continued)*

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.

3.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.14 Defined contribution plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

4. OTHER OPERATING INCOME

	2020	2019
	£	£
Government grant income	430,141	—

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	151,031	40,507
Defined contribution pension cost	33,244	35,343

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 93 (2019: 102).

7. DIRECTORS' REMUNERATION

No director received any emoluments during the current year (2019: £Nil).

There were no directors in the company's defined contribution pension scheme during the year (2019: £Nil).

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

8. TANGIBLE ASSETS

	Freehold property £	Short leasehold property £	Fixtures and fittings £	Equipment £	Assets in the course of construction £	Total £
Cost						
At 1 Jan 2020	2,125,000	549,089	480,697	246,710	–	3,401,496
Additions	1,570	26,670	3,735	3,040	864	35,879
At 31 Dec 2020	<u>2,126,570</u>	<u>575,759</u>	<u>484,432</u>	<u>249,750</u>	<u>864</u>	<u>3,437,375</u>
Depreciation						
At 1 Jan 2020	75,750	151,885	341,975	44,250	–	613,860
Charge for the year	25,420	66,599	27,341	31,671	–	151,031
At 31 Dec 2020	<u>101,170</u>	<u>218,484</u>	<u>369,316</u>	<u>75,921</u>	<u>–</u>	<u>764,891</u>
Carrying amount						
At 31 Dec 2020	<u>2,025,400</u>	<u>357,275</u>	<u>115,116</u>	<u>173,829</u>	<u>864</u>	<u>2,672,484</u>
At 31 Dec 2019	<u>2,049,250</u>	<u>397,204</u>	<u>138,722</u>	<u>202,460</u>	<u>–</u>	<u>2,787,636</u>

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. DEBTORS

	2020	2019
	£	£
Trade debtors	3,165	31,806
Amounts owed by group undertakings	2,507,333	1,874,317
Prepayments and accrued income	13,681	20,825
Corporation tax repayable	21	—
Other debtors	—	278
	<u>2,524,200</u>	<u>1,927,226</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

	2020	2019
	£	£
Accruals and deferred income	205,747	125,682
Social security and other taxes	41,977	32,391
Other creditors	50,289	64,021
	<u>298,013</u>	<u>222,094</u>

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.

11. OPERATING LEASES

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

	2020	2019
	£	£
Not later than 1 year	83,300	83,300
Later than 1 year and not later than 5 years	333,200	333,200
Later than 5 years	345,571	420,546
	<u>762,071</u>	<u>837,046</u>

12. 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 subsidiaries of the group.

Norfolk Lodge School Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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 Horizons 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.