

Yellow Dot (Ampfield) Limited

Annual Report and Unaudited

Financial Statements

Year Ended

31 December 2019

Company Number 06777156

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Yellow Dot (Ampfield) Limited

Company Information

Directors	E Boland J Casagrande G Fee R Marshall
Company secretary	S Kramer
Registered number	06777156
Registered office	2 Crown Way Rushden England NN10 6BS
Accountants	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Yellow Dot (Ampfield) Limited

Contents

	Page
Directors' Report	1
Accountants' Report	2
Statement of Comprehensive Income	3
Statement of Financial Position	4 - 5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 17

Yellow Dot (Ampfield) Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is the provision of childcare services through private day nurseries.

Results and dividends

The profit for the year, after taxation, amounted to £13,152 (2018 - £121,904).

The directors do not recommend the payment of dividend for the period under review (period ended 31 December 2018 - £Nil).

Director

The director who served during the year was:

E Boland
S Dreier (resigned 13 April 2020)
J Tugendhat (resigned 13 April 2020)
J Casagrande (appointed 16 April 2020)
G Fee (appointed 16 April 2020)
R Marshall (appointed 16 April 2020)

Post balance sheet events

In March 2020, the Bright Horizons Group began to experience the impact of the COVID-19 pandemic on its operations in the UK, as required business and school closures government mandates in response to the pandemic resulted in the temporary closure of a significant portion of the Group's child care centres.

At the date of signing the financial statements, the majority of nurseries have re-opened and all open centres are operating with special COVID-19 protocols in place in order to protect the health and safety of the children and staff.

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 2019 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 2019 until they are satisfied in full.

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 Nov 23, 2020

and signed on its behalf.

Gary Fee _____

G Fee
Director

Yellow Dot (Ampfield) Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Yellow Dot (Ampfield) Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Yellow Dot (Ampfield) Limited for the year ended 31 December 2019 which comprise the statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that Yellow Dot (Ampfield) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Yellow Dot (Ampfield) Limited. You consider that Yellow Dot (Ampfield) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Yellow Dot (Ampfield) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of Yellow Dot (Ampfield) Limited, as a body, in accordance with the terms of our engagement letter dated 27 January 2020. Our work has been undertaken solely to prepare for your approval the accounts of Yellow Dot (Ampfield) Limited and state those matters that we have agreed to state to the board of directors of Yellow Dot (Ampfield) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Yellow Dot (Ampfield) Limited and its board of directors as a body for our work or for this report.



BDO LLP

Southampton

United Kingdom

26 November 2020

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

Yellow Dot (Ampfield) Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

		2019	9 month period ended 31 December 2018
	Note	£	£
Turnover	4	677,031	544,702
Cost of sales		(383,164)	(259,065)
Gross profit		293,867	285,637
Administrative expenses		(281,549)	(166,413)
Operating profit	5	12,318	119,224
Tax on profit	8	834	2,680
Profit for the financial year		13,152	121,904
Other comprehensive income for the year			
Total comprehensive income for the year		13,152	121,904

The notes on pages 7 to 17 form part of these financial statements.

Yellow Dot (Ampfield) Limited
Registered number:06777156

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	9		98,520		83,835
			98,520		83,835
Current assets					
Debtors: amounts falling due after more than one year	10	26,000		26,000	
Debtors: amounts falling due within one year	10	630,996		615,630	
Cash at bank and in hand		-		6,967	
		656,996		648,597	
Creditors: amounts falling due within one year	11	(38,659)		(22,110)	
Net current assets			618,337		626,487
Total assets less current liabilities			716,857		710,322
Provisions for liabilities					
Other provisions	12	(7,801)		(14,418)	
			(7,801)		(14,418)
Net assets			709,056		695,904
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			708,956		695,804
			709,056		695,904

Yellow Dot (Ampfield) Limited
Registered number:06777156

Statement of Financial Position (continued)
As at 31 December 2019

The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006.

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Nov 23, 2020

Gary Fee _____

G Fee
Director

The notes on pages 7 to 17 form part of these financial statements.

Yellow Dot (Ampfield) Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	100	695,804	695,904
Comprehensive income for the year			
Profit for the year	-	13,152	13,152
Total comprehensive income for the period	-	13,152	13,152
At 31 December 2019	100	708,956	709,056

Statement of Changes in Equity For the Period Ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	100	573,900	574,000
Comprehensive income for the period			
Profit for the period	-	121,904	121,904
Total comprehensive income for the period	-	121,904	121,904
At 31 December 2018	100	695,804	695,904

The notes on pages 7 to 17 form part of these financial statements.

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Yellow Dot (Ampfield) 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 company information page. The nature of the company's operations and its principal activities can be found in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of 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 Section 1A small entities requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

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 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 2019 and these financial statements may be obtained from The Secretary, 2 Crown Way, Rushden, Northamptonshire, NN10 6BS.

2.3 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.

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Turnover

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.

2.5 Operating leases: the company as lessee

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.

2.6 Pensions

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.

2.7 Current and deferred taxation

The charge for taxation is based on the results for the period 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.

2.8 Tangible fixed 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.

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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:

Leasehold improvements	- Over 15 years or the remaining term of the lease whichever is shortest
Fixtures and fittings	- 14% straight line
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.

2.9 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.

2.10 Provisions for liabilities

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.

2.11 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

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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 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. Judgements in applying accounting policies 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 current assets. 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% (period ended 31 December 2018 - 8%) 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 provisions

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

Recoverability of intercompany balances

As required, the Company ensures assets are carried at no more than their recoverable amount. This includes a regular review of the intercompany balances to ensure these are recoverable.

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

4. Turnover

The whole of the turnover is attributable to principal activity of the company and arises solely in the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019	9 month period ended 31 December 2018
	£	£
Depreciation of tangible fixed assets	19,753	11,367
Defined contribution pension cost	12,090	3,083

6. Employees

The average monthly number of employees, including directors, during the period was 30 (period ended 31 December 2018 - 30).

7. Directors' remuneration

No director received any emoluments during the current period (period ended 31 December 2018 - £Nil).

There were no directors in the company's defined contribution pension scheme during the period (period ended 31 December 2018 - £Nil).

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

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Taxation

	2019 £	9 month period ended 31 December 2018 £
Corporation tax		
Current tax on profits for the period	-	-
Adjustments in respect of previous periods	-	(2,692)
Total current tax	<u>-</u>	<u>(2,692)</u>
Deferred tax		
Origination and reversal of timing differences	(360)	11
Adjustments for prior periods	(474)	1
Taxation on loss on ordinary activities	<u>(834)</u>	<u>(2,680)</u>

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	9 month period ended 31 December 2018 £
Profit on ordinary activities before tax	12,318	119,224
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	2,340	22,653
Effects of:		
Ineligible depreciation	1,978	1,731
Adjust closing deferred tax to average rate of 19%	128	(2)
Adjust closing deferred tax to average rate of 19%	(85)	-
Adjustments to tax charge in respect of prior periods - deferred tax	(474)	-
Group relief	(4,721)	(24,371)
Tax rate changes	-	(2,691)
Total tax (credit)/ charge for the period	(834)	(2,680)

Factors that may affect future tax charges

The UK corporation tax rate was 19% in the year to 31 December 2019 and this rate has been used for the purposes of preparing the tax disclosures. The tax rate was due to reduce to 17% on 1 April 2020, however, the Government announced in the March 2020 Budget that the rate would remain at 19% and not reduce to 17% as previously expected. As the 19% rate was not substantively enacted until 17 March 2020, the deferred tax balances have been calculated at 17%, this being the rate substantively enacted at the date of the Statement of Financial Position. The impact of the change in rate on deferred tax assets and liabilities will therefore be reflected in the 2020 financial statements.

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost or valuation				
At 1 January 2019	131,586	124,971	-	256,557
Additions	2,716	21,303	10,419	34,438
At 31 December 2019	134,302	146,274	10,419	290,995
Depreciation				
At 1 January 2019	51,358	121,364	-	172,722
Charge for the year on owned assets	10,253	5,424	4,076	19,753
At 31 December 2019	61,611	126,788	4,076	192,475
Net book value				
At 31 December 2019	72,691	19,486	6,343	98,520
At 31 December 2018	80,228	3,607	-	83,835

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	26,000	26,000
	<u>26,000</u>	<u>26,000</u>
	2019 £	2018 £
Due within one year		
Trade debtors	606	1,075
Amounts owed by group undertakings	614,350	597,426
Other debtors	1,323	3,196
Prepayments and accrued income	13,635	13,685
Deferred tax	1,082	248
	<u>630,996</u>	<u>615,630</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.

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	505
Taxation and social security	4,528	-
Other creditors	3,347	80
Accruals and deferred income	30,784	21,525
	<u>38,659</u>	<u>22,110</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.

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

12. Provisions

	Dilapidation provision £
At 1 January 2019	14,418
Utilised in year	(6,617)
At 31 December 2019	7,801

Dilapidation provision

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

13. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
100 (2018 - 100) ordinary shares of £1.00 each	100	100

14. Pension commitments

The amount recognised in the Statement of Comprehensive Income as an expense in relation to the company's defined contribution schemes is £12,090 (period ended 31 December 2019 - £3,083). There was £2,129 owing at year end (period ended 31 December 2018 - £Nil).

15. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	48,500	48,500
Later than 1 year and not later than 5 years	147,521	194,000
Later than 5 years	-	258,667
	196,021	501,167

Yellow Dot (Ampfield) Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

16. 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.

17. Post balance sheet events

In March 2020, the Bright Horizons Group began to experience the impact of the COVID-19 pandemic on its operations in the UK, as required business and school closures government mandates in response to the pandemic resulted in the temporary closure of a significant portion of the Group's child care centres.

At the date of signing the financial statements, the majority of nurseries have re-opened and all open centres are operating with special COVID-19 protocols in place in order to protect the health and safety of the children and staff.

18. Ultimate parent company and controlling party

The company's immediate parent undertaking is Yellow Dot Holdings 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.