

COMPANY REGISTRATION NUMBER: 06783100

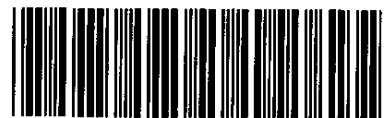
Pegasus Childcare Ltd

**Annual Report and Unaudited Financial
Statements**

Year ended

31 December 2022

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Pegasus Childcare Ltd

Financial Statements

Year ended 31 December 2022

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Pegasus Childcare Ltd

Officers and Professional Advisers

THE BOARD OF DIRECTORS

E Boland
J Butler
J Casagrande
R Marshall

COMPANY SECRETARY

S Kramer

REGISTERED OFFICE

Pioneer House
7 Rushmills
Northampton
Northamptonshire
NN4 7YB

Pegasus Childcare Ltd

Directors' Report

Year ended 31 December 2022

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2022.

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	
J Casagrande	
R Marshall	
J Butler	(Appointed 2 May 2022)
G Fee	(Resigned 29 April 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 2022 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 2022 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 Sep 28, 2023 and signed on behalf of the board by:

John Butler
28 Sep 2023

J Butler
Director

Pegasus Childcare Ltd

Statement of Comprehensive Income

Year ended 31 December 2022

	Note	2022 £	2021 £
TURNOVER		–	38,156
Cost of sales		–	729
GROSS PROFIT		–	38,885
Administrative expenses		(838)	329,642
OPERATING (LOSS)/PROFIT		(838)	368,527
(LOSS)/PROFIT BEFORE TAXATION		(838)	368,527
Tax on (loss)/profit		28,395	(25,572)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>27,557</u>	<u>342,955</u>

All the activities of the company are from continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

Pegasus Childcare Ltd

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
CURRENT ASSETS			
Debtors	6	24,303	55,403
CREDITORS: amounts falling due within one year	7	(1,013,924)	(1,072,556)
NET CURRENT LIABILITIES		(989,621)	(1,017,153)
TOTAL ASSETS LESS CURRENT LIABILITIES		(989,621)	(1,017,153)
PROVISIONS			
Other provisions	8	—	(25)
NET LIABILITIES		(989,621)	(1,017,178)
CAPITAL AND RESERVES			
Called up share capital		50	50
Profit and loss account		(989,671)	(1,017,228)
SHAREHOLDERS DEFICIT		(989,621)	(1,017,178)

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 2022 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.

These financial statements were approved by the board of directors and authorised for issue on .Sep 28, 2023....., and are signed on behalf of the board by:

John Butler

J Butler
Director

Company registration number: 06783100

The notes on pages 6 to 11 form part of these financial statements.

Pegasus Childcare Ltd
Statement of Changes in Equity
Year ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2021	50	(1,360,183)	(1,360,133)
<i>Profit for the year</i>		342,955	342,955
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	342,955	342,955
AT 31 DECEMBER 2021	50	(1,017,228)	(1,017,178)
<i>Profit for the year</i>		27,557	27,557
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	27,557	27,557
AT 31 DECEMBER 2022	50	(989,671)	(989,621)

The notes on pages 6 to 11 form part of these financial statements.

Pegasus Childcare Ltd

Notes to the Financial Statements

Year ended 31 December 2022

1. GENERAL INFORMATION

Pegasus Childcare Ltd 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

The UK business has been heavily impacted by the coronavirus pandemic. Whilst recovery is ongoing the company faces challenges in recruiting and retaining qualified nursery staff which in turn has led to an increase in the cost basis. In light of these challenges 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 and faces increased labour costs, 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.

Pegasus Childcare Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. ACCOUNTING POLICIES *(continued)*

3.3 Disclosure exemptions *(continued)*

This information is included in the consolidated financial statements of BHFS One Limited as at 31 December 2022 and these financial statements may be obtained from The Secretary, Pioneer House, 7 Rushmills, Northampton, Northamptonshire, NN4 7YB.

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 10.5% (2021: 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 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.

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.

Pegasus Childcare Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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 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.

3.9 Depreciation

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

Depreciation is provided on the following basis:

Leasehold land and buildings	-	Over 15 years or the remaining term of the lease whichever is the shorter
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.

Pegasus Childcare Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. ACCOUNTING POLICIES *(continued)*

3.10 Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

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

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.

Pegasus Childcare Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. ACCOUNTING POLICIES *(continued)*

3.11 Financial instruments *(continued)*

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.

4. DIRECTORS' REMUNERATION

No director received any emoluments during the current year (2021: £Nil).

There were no directors in the company's defined contribution pension scheme during the year (2021: Nil).

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

5. TANGIBLE ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2022 and 31 December 2022	<u>272,950</u>	<u>43,725</u>	<u>91,514</u>	<u>408,189</u>
Depreciation				
At 1 January 2022 and 31 December 2022	<u>272,950</u>	<u>43,725</u>	<u>91,514</u>	<u>408,189</u>
Carrying amount				
At 31 December 2022	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2021	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

6. DEBTORS

	2022 £	2021 £
Deferred tax asset	24,303	24,303
Prepayments and accrued income	—	3,995
Other debtors	—	27,105
	<u>24,303</u>	<u>55,403</u>

Pegasus Childcare Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

6. DEBTORS *(continued)*

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.

7. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	1,013,677	1,044,161
Accruals and deferred income	247	—
Corporation tax	—	28,395
	<u>1,013,924</u>	<u>1,072,556</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.

8. PROVISIONS

	Dilapidation provision £
At 1 January 2022	25
Charge against provision	(25)
At 31 December 2022	<u>—</u>

9. 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.

10. 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, Pioneer House, 7 Rushmills, Northampton, Northamptonshire, NN4 7YB.