

Allgold Investments Limited

Annual Report and Unaudited

Financial Statements

Year Ended

31 December 2019

Company Number 08934038

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Allgold Investments Limited

Company Information

Directors
E Boland
J Casagrande
G Fee
R Marshall

Company secretary
S Kramer

Registered number
08934038

Registered office
2 Crown Way
Rushden
England
NN10 6BS

Accountants
BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Allgold Investments Limited

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Allgold Investments 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 operation of private day nurseries.

Results and dividends

The loss for the year, after taxation, amounted to £85,804 (2018 - loss £270,240).

The directors do not recommend the payment of a dividend for the year under review (2018 - £Nil).

Directors

The directors who served during the year were:

E Boland
S Dreier (resigned 13 April 2020)
D Lissy (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.

This report was approved by the board on Nov 23, 2020

and signed on its behalf.


Gary Fee (Nov 23, 2020 14:42 GMT)

G Fee
Director

Allgold Investments Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Allgold Investments 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 Allgold Investments 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 Allgold Investments 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 loss of Allgold Investments Limited. You consider that Allgold Investments 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 Allgold Investments 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 Allgold Investments Limited, as a body, in accordance with the terms of our engagement letter dated 21 January 2020. Our work has been undertaken solely to prepare for your approval the accounts of Allgold Investments Limited and state those matters that we have agreed to state to the board of directors of Allgold Investments 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 Allgold Investments 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).

Allgold Investments Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	1,329,316	1,599,067
Cost of sales		(680,249)	(980,742)
Gross profit		649,067	618,325
Administrative expenses		(734,871)	(888,565)
Operating loss	5	(85,804)	(270,240)
Tax on loss		-	-
Loss for the financial year		(85,804)	(270,240)
Other comprehensive income		-	-
Total comprehensive loss for the year		(85,804)	(270,240)

The notes on pages 6 to 14 form part of these financial statements.

Allgold Investments Limited

Registered number:08934038

Statement of Financial Position As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	8		667,734		825,227
Current assets					
Debtors: amounts falling due within one year	9	72,266		77,995	
Creditors: amounts falling due within one year	10	(2,992,184)		(2,802,392)	
Net current liabilities			(2,919,918)		(2,724,397)
Total assets less current liabilities			(2,252,184)		(1,899,170)
Provisions for liabilities					
Other provisions	11	(157,742)		(424,952)	
			(157,742)		(424,952)
Net liabilities			(2,409,926)		(2,324,122)
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		(2,409,927)		(2,324,123)
			(2,409,926)		(2,324,122)

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 company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

Nov 23, 2020

Gary Fee
Gary Fee (Nov 23, 2020 14:42 GMT)

G Fee
Director

The notes on pages 6 to 14 form part of these financial statements.

Allgold Investments 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	1	(2,324,123)	(2,324,122)
Comprehensive loss for the year			
Loss for the year	-	(85,804)	(85,804)
Total comprehensive loss for the year	-	(85,804)	(85,804)
At 31 December 2019	1	(2,409,927)	(2,409,926)

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1	(2,053,883)	(2,053,882)
Comprehensive loss for the year			
Loss for the year	-	(270,240)	(270,240)
Total comprehensive loss for the year	-	(270,240)	(270,240)
At 31 December 2018	1	(2,324,123)	(2,324,122)

The notes on pages 6 to 14 form part of these financial statements.

Allgold Investments Limited

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

1. General information

Allgold Investments 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 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 judgement in applying the company's accounting policies (see note 3).

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.

Allgold Investments Limited

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

2. Accounting policies (continued)

2.4 Revenue

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 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.

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:

Property improvements	- 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.

2.6 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.

2.7 Financial instruments and equity

Financial instruments and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

2.8 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.

Allgold Investments Limited

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

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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.

2.10 Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2.11 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.

2.12 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.

Allgold Investments Limited

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

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 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% (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 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 the profit and loss as the obligation arises. The provision is expected to be utilised as the leases terminate.

Onerous lease provisions

Where leasehold properties become vacant or loss making, the company provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to a number of properties which are loss making. The provision is expected to be utilised over the life of the related lease.

4. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely in the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	182,872	93,747
Defined contribution pension cost	21,895	16,091

Allgold Investments Limited

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

6. Employees

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

	2019 No.	2018 No.
Nursery staff	47	67

7. Directors' remuneration

No director received any emoluments during the current year (2018 - £Nil).

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

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

Allgold Investments Limited

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

8. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2019 (as previously stated)	797,725	549,915	-	48,247	1,395,887
Prior Year Adjustment	-	(26,385)	26,385	-	-
At 1 January 2019 (as restated)	797,725	523,530	26,385	48,247	1,395,887
Additions	20,314	7,472	21,940	12,354	62,080
Transfers intra group	-	-	(3,644)	-	(3,644)
Disposals	(25,511)	(3,986)	(9,769)	-	(39,266)
Transfers between classes	48,227	-	-	(48,227)	-
At 31 December 2019	840,755	527,016	34,912	12,374	1,415,057
Depreciation					
At 1 January 2019 (as previously stated)	199,147	371,513	-	-	570,660
Prior Year Adjustment	-	(6,724)	6,724	-	-
At 1 January 2019 (as restated)	199,147	364,789	6,724	-	570,660
Charge for the year on owned assets	157,047	13,416	12,409	-	182,872
Transfers intra group	-	-	(405)	-	(405)
Disposals	(692)	(1,631)	(3,481)	-	(5,804)
At 31 December 2019	355,502	376,574	15,247	-	747,323
Net book value					
At 31 December 2019	485,253	150,442	19,665	12,374	667,734
At 31 December 2018 (as restated)	598,578	158,741	19,661	48,247	825,227

Allgold Investments Limited

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

9. Debtors

	2019 £	2018 £
Trade debtors	6,128	9,449
Other debtors	500	5,900
Prepayments and accrued income	65,638	62,646
	<u>72,266</u>	<u>77,995</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	2,882,572	2,714,104
Other taxation and social security	12,396	241
Other creditors	5,634	8,168
Accruals and deferred income	91,582	79,879
	<u>2,992,184</u>	<u>2,802,392</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.

Allgold Investments Limited

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

11. Provisions

	Onerous lease provision £	Dilapidation provision £	Total £
At 1 January 2019	364,712	60,240	424,952
Charged to profit or loss	(63,285)	(40,036)	(103,321)
Utilised in year	(163,889)	-	(163,889)
At 31 December 2019	137,538	20,204	157,742

Onerous lease provisions

Where leasehold properties become vacant or loss making, the company provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to a number of properties which are loss making. The provision is expected to be utilised over the life of the related leases.

Dilapidations 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 and loss as the obligation arises. The provision is expected to be utilised as the leases terminate.

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1.00	1	1

13. 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

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

Allgold Investments Limited

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

14. Related party transactions

The company has taken advantage of the exemption available under 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.

15. 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.

16. Ultimate parent company and 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.