Active Learning Childcare (JCCV) Limited

Report and Financial Statements

Year ended

31 December 2016

Registered number 05889642

Active Learning Childcare (JCCV) Limited

Report and financial statements
for the year ended 31 December 2016

Contents

Page:

Directors

E Boland
D Lissy
S Dreier
J Tugendhat (appointed 10 November 2016)

Company secretary and registered office

S Kramer, 2 Crown Court, Rushden, Northampton, NN10 6BS

Registered number

05889642

Auditors

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

Active Learning Childcare (JCCV) Limited

Report of the directors
for the year ended 31 December 2016

The directors present their report together with the financial statements for the year ended 31 December 2016.

Results and dividends

The company did not trade in the financial year and accordingly no profit and loss account has been prepared.

The directors do not recommend the payment of a dividend for the year (2015: £Nil).

Directors

The directors of the company throughout the year were:

E Boland
D Dreier
D Lissy
J Tugendhat (appointed 10 November 2016)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

E Boland
Director

15 September 2017

To the member of Active Learning Childcare (JCCV) Limited

We have audited the financial statements of Active Learning Childcare (JCCV) Limited for the year ended 31 December 2016 which comprise the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the financial reporting standard FRS102, the financial reporting standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's member, as a body, in accordance with Section 262 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matter where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

BDO LLP

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

29 September 2017

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

Active Learning Childcare (JCCV) Limited

Statement of Financial Position
at 31 December 2016

Registered number 05889642	Note	2016 £	2016 £	2015 £	2015 £
Creditors	3		-		(11,647)
Net Liabilities			-		(11,647)
Capital and reserves					
Called up share capital	5		**1**		1
Profit and loss account	6		**(1)**		(11,648)
Shareholders' funds /(deficit)			-		(11,647)

The financial statements were approved by the Board of Directors and authorised for issue on 15 September 2017.

E Boland
Director

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

Active Learning Childcare (JCCV) Limited

Statement of changes in equity
for the year ended 31 December 2016

	Share capital £	Profit and loss account £	Total equity £
1 January 2015	1	(11,648)	(11,647)
Comprehensive income for the year:			
Profit for the year	-	-	-
Total comprehensive income for the year	1	(11,648)	(11,647)
31 December 2015	**1**	**(11,648)**	**(11,647)**
1 January 2016	1	(11,648)	(11,647)
Comprehensive income for the year:			
Capital contribution on waiver of intercompany debt	-	11,647	11,647
Total comprehensive income for the year	1	(1)	-
31 December 2016	**1**	**(1)**	**-**

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

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by FRS 102 not to prepare a cash flow statement on the grounds that the company is controlled within the group headed by BHFS One Limited and the company is included in consolidated financial statements.

Consolidated financial statements

The financial statements contain information about Active Learning Childcare (JCCV) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, such costs include costs directly attributable to making the asset capable of operations as intended.

Depreciation is provided at rates calculated to write off the cost of fixed assets, except for freehold land, less their estimated residual value, over their expected useful lives on the following basis:

Freehold buildings	-	2.5% straight line
Freehold building improvements	-	10% or expected life of the asset whichever is the shortest
Leasehold buildings	-	Over the term of the lease
Leasehold improvements	-	Over 10 years or the remaining term of the lease whichever is the shortest
Motor vehicles	-	25% straight line
Fixtures and fittings	-	14% straight line
Equipment	-	10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted retrospectively if appropriate, 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 within 'other operating income' in the statement of comprehensive income.

1 Accounting policies *(continued)*

Impairment of fixed assets and goodwill

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.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Financial liabilities and equity

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

Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest rate 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.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

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.

1 Accounting policies *(continued)*

Leased assets

The company has operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease, or up to the first break clause.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

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.

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.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2 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 leases entered into by the company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. 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.

- Determine whether the fair value of the properties acquired is the price that would be received to sell the asset in an orderly transaction between market participants.

2 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Determine whether the acquired intangibles assets are identifiable in terms of being separable and arise from contractual or legal rights. This should be determined on a basis that reflects an amount that the group would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognised as a separate intangible asset, but is included in goodwill.

Key assumptions include:

Discount rates

The discount rate is a pre-tax adjusted discount rate and reflects management's estimate of the company's weighted average cost of capital.

Long term growth rates

The management forecasts are extrapolated using growth assumptions relevant for the business sector and are based on industry research.

3 Creditors: amounts falling within one year

	2016 £	2015 £
Amounts owed to Group undertakings	-	(11,647)
	-	(11,647)

During the year, a waiver of intercompany debt due to Group undertakings resulted in a capital distribution of (£11,647). This has been taken through the profit and loss account reserves.

4 Financial instruments

The Company's financial instruments may be analysed as follows:

	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost		
Financial liabilities measured at amortised cost	-	(11,647)
	-	(11,647)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, accrued income and amounts owed by Group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors, accruals and amounts due to Group undertakings.

5 Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	**1**	1
	1	1

6 Reserves

	Profit and loss account
	£
At 1 January 2016	**(11,648)**
Capital contribution on waiver of intercompany creditor	11,647
At 31 December 2016	**(1)**

7 Related party disclosures

The company is a wholly owned subsidiary of Active Learning Childcare (Guernsey) Limited and has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with Active Learning Childcare (Guernsey) Limited.

8 Ultimate parent company and controlling party

The company's immediate parent undertaking is Active Learning Childcare (Guernsey) Ltd a company incorporated in Guernsey. The company's ultimate controlling party is BHFS One Limited a company incorporated in England and Wales.

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, Crown Court, Rushden, Northamptonshire, NN10 6BS.

9 First time adoption of FRS 102

	Note	Equity as at 1 January 2015 £	Profit for year ended 31 December 2015 £	Equity as at 31 December 2015 £
As previously stated under former UK GAAP		**11,648**	**-**	**11,648**
Transitional adjustments				
Capital distribution recognised on the fair value of amounts due from Group undertakings	a	(11,647)	-	(11,647)
As stated in accordance with FRS 102		**1**	**-**	**1**

Explanation of changes to previously reported profit and equity

a. **Intercompany balances**
Under applicable UK accounting standard intercompany debtors and creditors were recognised at the amount of the proceeds. In accordance with FRS 102 amounts owed by and to are initially recognised at fair value and subsequently recognised at amortised cost under the effective interest method.