

3943326

BHFS Two Limited
Report And Financial Statements
31 December 2010

Rees Pollock
Chartered Accountants

WEDNESDAY



RLP9LYB4
RM 12/10/2011 4
COMPANIES HOUSE

BHFS Two Limited

COMPANY INFORMATION

Directors	M A Tocio S Dreier E Boland D Lissy
Company secretary	S Kramer
Registered office	2 Crown Court Rushden NN10 6BS
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Company number	03943326

DIRECTORS' REPORT
for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company was that of a holding company

Business review

BHFS Two Limited is a wholly owned subsidiary of BHFS One Limited and, as such, it is inappropriate to present an analysis of the company's key performance indicators. However the company's parent company, BHFS One Limited, produces a full business review in its consolidated accounts

Results and dividends

The profit for the year, after taxation, amounted to £55,776 (2009 - £4,442,337)

The directors have not recommended a dividend

Directors

The directors who served during the year were

M A Tocio
S Dreier
E Boland
D Lissy

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnities for the benefit of its directors which were made during the year and remain in force at the date of this report

Statement of 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 and of the profit or loss 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 judgments and 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

DIRECTORS' REPORT
for the year ended 31 December 2010

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.

Provision of information to auditor


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf


E Boland
Director

Date 21 JULY 2011



REESPOLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408
www.reespollock.co.uk

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BHFS TWO LIMITED

We have audited the financial statements of BHFS Two Limited for the year ended 31 December 2010, set out on pages 4 to 9. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 Auditing Practices Board'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.

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 2010 and of its profit 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Catherine Kimberlin (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

10 October 2011

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Note	2010 £	2009 £
Administrative expenses		(2,955)	(17,058)
Other operating income	2	58,731	-
OPERATING PROFIT/(LOSS)	3	55,776	(17,058)
Dividends receivable	4	-	4,459,395
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		55,776	4,442,337
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	11	55,776	4,442,337

All amounts relate to continuing operations


There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 6 to 9 form part of these financial statements

BALANCE SHEET
as at 31 December 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Investments	6		44,450,457		44,450,457
CURRENT ASSETS					
Debtors	7	3,761,460		2,703,116	
CREDITORS: amounts falling due within one year	8	(1,004,358)		(1,790)	
NET CURRENT ASSETS			2,757,102		2,701,326
TOTAL ASSETS LESS CURRENT LIABILITIES			47,207,559		47,151,783
CREDITORS: amounts falling due after more than one year	9		(41,464,190)		(41,464,190)
NET ASSETS			5,743,369		5,687,593
CAPITAL AND RESERVES					
Called up share capital	10		1		1
Share premium account	11		1,359,949		1,359,949
Profit and loss account	11		4,383,419		4,327,643
SHAREHOLDERS' FUNDS	12		5,743,369		5,687,593

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


E Boland
Director

Date 27 JULY 2011

The notes on pages 6 to 9 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Related parties transactions

The company is a wholly owned subsidiary of BHFS One Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the BHFS One Limited group.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for permanent diminution in value.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 OTHER OPERATING INCOME

	2010 £	2009 £
Amounts written off intercompany loans	58,731	-

During the year a number of the company's dormant subsidiary undertakings were struck off the register of companies. The above represents the amount written off the outstanding intercompany balances with these entities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

3 OPERATING PROFIT/(LOSS)

During the year, no director received any emoluments (2009 - £NIL)

Auditor's remuneration is borne by a fellow subsidiary of the BHFS One Limited group

4 DIVIDENDS RECEIVABLE

	2010 £	2009 £
Dividends receivable from group companies	-	4,459,395

5 TAXATION

	2010 £	2009 £
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	55,776	4,442,337
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	15,617	1,243,854
Effects of:		
Expenses disallowed for tax purposes	575	4,777
Non taxable dividend income from group companies	-	(1,248,631)
Other non taxable income	(16,192)	-
Current tax charge for the year (see note above)	-	-

6 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2010 and 31 December 2010	44,450,457

Details of the company's subsidiary undertakings are as follows

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

FIXED ASSET INVESTMENTS (continued)

Subsidiary undertaking	Country of incorporation or registration	Percentage holding	Nature of business
Bright Horizons Family Solutions Limited	England	100%	Nursery services
Bright Horizons Livingston Limited	Scotland	100%	Nursery services
Nurseryworks Associates Limited	England	100%	Dormant
Teddies Childcare Provision Limited	England	100%	Holding company
Teddies Nurseries Limited *	England	100%	Nursery services
Teddies Childcare Limited *	England	100%	Dormant
Teddies Sports Limited *	England	100%	Dormant
Crocus Early Years Centre Limited	England	100%	Dormant
Beehives Day Nurseries Limited	England	100%	Dormant

* Held by a subsidiary undertaking

7 DEBTORS

	2010	2009
	£	£
Amounts owed by group undertakings	3,757,675	2,698,566
Other debtors	3,785	4,550
	<u>3,761,460</u>	<u>2,703,116</u>

8 CREDITORS Amounts falling due within one year

	2010	2009
	£	£
Amounts owed to group undertakings	1,004,358	-
Other creditors	-	1,790
	<u>1,004,358</u>	<u>1,790</u>

9. CREDITORS Amounts falling due after more than one year

	2010	2009
	£	£
Amounts owed to group undertakings	<u>41,464,190</u>	<u>41,464,190</u>

10 SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010
11 RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2010	1,359,949	4,327,643
Profit for the year	-	55,776
	<hr/>	<hr/>
At 31 December 2010	<u>1,359,949</u>	<u>4,383,419</u>

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	5,687,593	1,245,256
Profit for the year	55,776	4,442,337
	<hr/>	<hr/>
Closing shareholders' funds	<u>5,743,369</u>	<u>5,687,593</u>

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is BHFS One Limited. BHFS One Limited is the head of the smallest group for which consolidated accounts are available. Copies of these consolidated accounts can be obtained from The Secretary, BHFS One Limited, 2 Crown Court, Rushden, Northamptonshire NN10 6BS. The ultimate holding company and controlling party is Bright Horizons Solutions Corp, a company registered in the United States of America.