

BHFS Two Limited

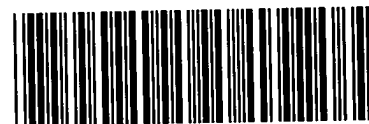
Report and Financial Statements

Year Ended

31 December 2014

Company Number 03943326

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BHFS Two Limited

Report and financial statements for the year ended 31 December 2014

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Directors

E Boland
D Lissy
M A Tocio
S Dreier

Secretary and registered office

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

Company number

03943326

Auditors

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

BHFS Two Limited

Report of the directors for the year ended 31 December 2014

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year.

The directors do not recommend the payment of a dividend for the year under review (2013: £nil).

Principal activities

The company's principal activity is that of a holding company.

Directors

The directors of the company during the year were:

E Boland
D Lissy
M A Tocio
S Dreier

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 judgements and accounting estimates that are reasonable and prudent;
- 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.

BHFS Two Limited

Report of the directors for the year ended 31 December 2014 (*continued*)

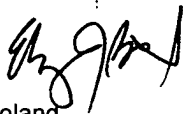
Auditors

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.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



E Boland
Director

Date

8 April 2015

BHFS Two Limited

Independent auditor's report

To the member of BHFS Two Limited

We have audited the financial statements of BHFS Two Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member 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 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, 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 (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BHFS Two Limited

Independent auditor's report (*continued*)

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



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

8/4/15

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

BHFS Two Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Administrative expenses		2,162	61,044
Operating loss	2	(2,162)	(61,044)
Other operating income		-	223,109
(Loss)/profit on ordinary activities before and after taxation for the financial year		(2,162)	162,065

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

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

BHFS Two Limited

Balance sheet at 31 December 2014

<i>Company number 03943326</i>	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Intangible assets	5	96,652		80,442	
Fixed asset investments	6	75,536,763		114,883,320	
			75,633,415		114,963,762
Current assets					
Debtors	7	42,268,156		2,939,971	
Net current assets			42,268,156		2,939,971
Total assets less current liabilities			117,901,571		117,903,733
Creditors: amounts falling due after more than one year	8		112,066,638		112,066,638
			5,834,933		5,837,095
Capital and reserves					
Called up share capital	9		1		1
Share premium account	10		1,359,949		1,359,949
Profit and loss account	10		4,474,983		4,477,145
Shareholder's funds	11		5,834,933		5,837,095

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

The financial statements were approved by the Board of Directors and authorised for issue on 8 April 2015.


E Boland
Director

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

BHFS Two Limited

Notes forming part of the financial statements for the year ended 31 December 2014

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Consolidated financial statements

The financial statements contain information about BHFS Two 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 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by BHFS One Limited and the company is included in consolidated financial statements.

Trademarks

The trademarks held are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over its estimated life.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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.

BHFS Two Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

2 Operating loss

	2014 £	2013 £
This is arrived at after charging:		
Amortisation of other intangible fixed assets	-	2,298

The audit fee for the year (2013: £2,000) will be borne by Bright Horizons Family Solutions Limited.

3 Directors' remuneration

No director received any emoluments during the current year (2013 - £Nil).

There were no directors in the company's defined contribution pension scheme during the year (2013: Nil).

All directors' costs are borne by Bright Horizons Family Solutions Inc.

4 Taxation on (loss)/profit on ordinary activities

The tax assessed for the year is lower than/higher than the standard rate of corporation tax in the UK applied to (loss)/profit before tax.

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(2,162)	162,065
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	(465)	37,680
Effect of:		
Expenses not deductible for tax purposes	465	13,655
Non Taxable group income	-	(51,873)
Group relief	-	538
Current tax charge for the year	-	-

The Finance Act 2013 reduced the main rate of Corporation Tax from 23% to 21% with effect from 1 April 2014. In addition, the Government has announced that from 1 April 2015 the Corporation Tax main rate will be further reduced and unified with the small profits rate of 20%. We have used a blended rate of 21.5% for the purpose of preparing the tax disclosures.

Accordingly, deferred tax balances recognised in the accounts as at the year-end have been calculated using the 20% rate.

BHFS Two Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

5 Intangible fixed assets

	Trademarks £
<i>Cost or valuation</i>	
At 1 January 2014	82,740
Additions during the year	16,210
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At 31 December 2014	98,950
	<hr/>
<i>Amortisation</i>	
At 1 January 2014	2,298
Provided for the year	-
	<hr/>
At 31 December 2014	2,928
	<hr/>
<i>Net book value</i>	
At 31 December 2014	96,652
	<hr/>
At 31 December 2013	80,442
	<hr/>

6 Fixed asset investments

	Shares in group undertakings and participating interests £
<i>Cost or valuation</i>	
At 1 January 2014	114,883,320
Transferred to amounts owed by group undertakings	(39,346,557)
	<hr/>
At 31 December 2014	75,536,763
	<hr/>

Within the balance sheet there has been a reclassification between investments and amounts owed by group undertakings totalling £39,346,557. This reclassification has no effect on the overall results for the year or the net assets position at the balance sheet date.

BHFS Two Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

6 Fixed asset investments (*continued*)

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Intermediate holding companies</i>			
Teddies Childcare Provision Limited	England	100%	Holding Company
Huntyard Limited	Jersey	100%	Holding Company
Kidsunlimited Group Limited	England	100%	Holding Company
<i>Trading Subsidiaries</i>			
Bright Horizons Family Solutions Limited	England	100%	Nursery services
Bright Horizons Livingston Limited	Scotland	100%	Nursery services

Details of the remaining 31 dormant subsidiaries have not been provided as in the opinion of the directors the disclosures would be of excessive length.

7 Debtors

	2014 £	2013 £
Amounts receivable within one year		
Other debtors	-	49,320
	-	49,320
Amounts receivable after more than one year		
Amounts owed by group undertakings	42,268,156	2,890,651
Total debtors	42,268,156	2,939,971

Amounts due by group undertakings are unsecured and not subject to any fixed repayment date. Undertakings have been given that the amounts will not be claimed in the next 12 months and accordingly the amounts due have been classified as due after one year.

BHFS Two Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

8 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertakings	112,066,638	112,066,638

9 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	1	1

10 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2014	1,359,949	4,477,145
Loss for the year	-	(2,162)
At 31 December 2014	1,359,949	4,474,983

11 Reconciliation of movements in shareholder's funds

	2014 £	2013 £
(Loss)/profit for the year	(2,162)	162,065
Opening shareholder's funds	5,837,095	5,675,030
Closing shareholder's funds	5,834,933	5,837,095

BHFS Two Limited

**Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)**

12 Related party disclosures

The company is a wholly owned subsidiary of BHFS One Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with BHFS One Limited or other wholly owned subsidiaries within the group.

13 Ultimate parent company and parent undertaking of larger group

The company's immediate parent undertaking is BHFS One Limited a company registered 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.