

COMPANY REGISTRATION NUMBER: 04167362

Acorndrive Limited

**Annual Report and Unaudited Financial
Statements**

Year ended

31 December 2022

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Acorndrive Limited

Financial Statements

Year ended 31 December 2022

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Acorndrive Limited

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

Acorndrive Limited

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 that of a holding company.

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

J Butler
Director

Acorndrive Limited

Statement of Comprehensive Income

Year ended 31 December 2022

	Note	2022 £000	2021 £000
Other interest receivable and similar income	5	4,683	4,182
PROFIT BEFORE TAXATION		4,683	4,182
Tax on profit		(36)	—
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>4,647</u>	<u>4,182</u>

All the activities of the company are from continuing operations.

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

Acorndrive Limited

Statement of Financial Position

31 December 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Investments	6	2,000	2,000
CURRENT ASSETS			
Debtors	7	43,713	39,029
CREDITORS: amounts falling due within one year	8	(67,937)	(67,900)
NET CURRENT LIABILITIES		(24,224)	(28,871)
TOTAL ASSETS LESS CURRENT LIABILITIES		(22,224)	(26,871)
CAPITAL AND RESERVES			
Called up share capital		1,950	1,950
Profit and loss account		(24,174)	(28,821)
SHAREHOLDERS DEFICIT		(22,224)	(26,871)

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: 04167362

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

Acorndrive Limited

Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £000	Profit and loss account £000	Total £000
AT 1 JANUARY 2021	1,950	(33,003)	(31,053)
Profit for the year		4,182	4,182
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	4,182	4,182
AT 31 DECEMBER 2021	1,950	(28,821)	(26,871)
Profit for the year		4,647	4,647
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	4,647	4,647
AT 31 DECEMBER 2022	1,950	(24,174)	(22,224)

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

Acorndrive Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. GENERAL INFORMATION

Acorndrive Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the officers and professional advisers page and the nature of the company's operations and its principal activities is stated 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 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.

Acorndrive Limited

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 had to make 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 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.

3.5 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.

3.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Acorndrive Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. ACCOUNTING POLICIES *(continued)*

3.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3.8 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.

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.

Acorndrive Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £000	2021 £000
Other interest receivable and similar income	<u>4,683</u>	<u>4,182</u>

6. INVESTMENTS

	Shares in group undertakings £000
Cost or valuation	
At 1 January 2022 and 31 December 2022	<u>2,000</u>
Impairment	
At 1 January 2022 and 31 December 2022	<u>—</u>
Carrying amount	
At 31 December 2022	<u>2,000</u>
At 31 December 2021	<u>2,000</u>

Subsidiary undertaking

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Acorndrift Limited	Holding company	Ordinary	100%

Acorndrive Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

7. DEBTORS

	2022	2021
	£000	£000
Amounts owed by group undertakings	43,713	39,029

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.

Discounted bond

A zero coupon unsecured bond with a nominal value of £46,285,288 was issued by Acorndrive Limited on 10 May 2001 for a price of £18,650,000. The bond was redeemable at certain values on or before 31 August 2010 calculated so as to give a compounded rate of return of 10.25% per annum on the outstanding balance of the bond.

This bond has now matured and is currently attracting default interest at an annual rate of 12% compounded monthly until settlement.

As at 31 December 2022, the capital value of the bond outstanding was £4,150,000 (2021: £4,150,000) with accrued interest, (including default interest) of £39,561,973 (2021: £34,878,440). The bond is unsecured.

Other than described above amounts owed from group companies are unsecured, interest free and have no fixed terms of repayment.

The directors of the company have provided confirmation to the undertakings with whom inter company debtors are held, that these amounts will not be payable for a period of at least 12 months from approval of these financial statements.

8. CREDITORS: amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed to group undertakings	67,901	67,900
Corporation tax	36	—
	67,937	67,900

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.

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.

Acorndrive Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

10. CONTROLLING PARTY

The company's immediate parent undertaking is Chestnutbay Limited, a company incorporated in England and Wales. The 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 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.