

TUTTLE RICHARD C
Form 4
October 01, 2012

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
TUTTLE RICHARD C

(Last) (First) (Middle)

C/O HYATT HOTELS CORPORATION, 71 SOUTH WACKER DRIVE, 12TH FLOOR

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Hyatt Hotels Corp [H]

3. Date of Earliest Transaction (Month/Day/Year)
09/27/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Class A Common Stock	09/27/2012		A		216	A	\$ 0 5,209
						D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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2012	\$ 4,814
2013	65,262
2014	3,650
2015	341,275
2016	-
Thereafter	410,000
Total future principal payments	\$ 825,001

The Company entered into the Series C new term loans during the nine months ended September 30, 2012. Future minimum payments due for this loan are of \$0.2 million in the remainder of 2012, of \$0.9 million in 2013, 2014, 2015, and 2016, and of \$81.0 million in 2017. These payments are in addition to those included in the table above.

Letters of Credit

The Company has seventeen letters of credit outstanding used to guarantee certain rent payments for up to \$0.7 million. No amounts have been drawn against these letters of credit.

Employment and Severance Agreements

The Company has severance agreements with nine executives that provide from four to eighteen months of compensation upon the termination of employment. The Company estimates that the maximum amount payable under these agreements in 2012 is \$3.6 million. The severance agreements prohibit the above-mentioned employees from competing with the Company during the severance period or divulging confidential information after their separation from the Company.

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BRIGHT HORIZONS FAMILY SOLUTIONS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2010 AND 2011 AND SEPTEMBER 30, 2012 AND FOR THE YEARS

ENDED DECEMBER 31, 2009, 2010, AND 2011 AND THE NINE MONTHS ENDED

SEPTEMBER 30, 2012 AND 2011 (continued)

14. COMMITMENTS AND CONTINGENCIES (continued)

Litigation

The Company is a defendant in certain legal matters in the ordinary course of business. Management believes the resolution of such legal matters will not have a material effect on the Company's financial condition, results of operations or cash flows.

Insurance and Regulatory

The Company self-insures a portion of its medical insurance plans and has a high deductible workers' compensation plan. While management believes that the amounts accrued for these obligations are sufficient, any significant increase in the number of claims or costs associated with claims made under these plans could have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company's child care and early education centers are subject to numerous federal, state and local regulations and licensing requirements. Failure of a center to comply with applicable regulations can subject it to governmental sanctions, which could require expenditures by the Company to bring its child care and early education centers into compliance.

15. EMPLOYEE BENEFIT PLANS

The Company maintains a 401(k) Retirement Savings Plan (the "401(k) Plan") for all eligible employees. To be eligible for the 401(k) Plan, an employee must be at least 20.5 years of age and have completed their eligibility period of 60 days and 160 hours of service from date of hire. If they do not meet the 160 hours of service requirement, they may be eligible at 12 months provided they have reached 1,000 hours of service from date of hire. The 401(k) Plan is funded by elective employee contributions of up to 50% of their compensation. Under the 401(k) Plan, the Company matches 25% of employee contributions for each participant up to 8% of the employee's compensation after one year of service. Expense under the plan, consisting of Company contributions and plan administrative expenses paid by the Company, totaled approximately \$1.8 million for each of the years ended December 31, 2009, 2010, and 2011.

16. SEGMENT AND GEOGRAPHIC INFORMATION

Bright Horizons work/life services are primarily comprised of full service center-based child care, back-up dependent care, elementary education, college preparation and admissions counseling, and tuition assistance, counseling and management services. The Company has identified three reporting segments consisting of full service center-based care, back-up dependent care, and other educational advisory services. Full service center-based care includes the traditional center-based child care, preschool, and elementary education, which have similar operating characteristics and meet the criteria for aggregation under ASC 280, *Segment Reporting*. Full service center-based care derives its revenues primarily from contractual arrangements with corporate clients and from tuition. The Company's back-up dependent care services consist of center-based back-up child care, in-home care, mildly ill care, and adult/elder care. The Company's other education advisory services consists of the remaining services,

Table of Contents**BRIGHT HORIZONS FAMILY SOLUTIONS INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2010 AND 2011 AND SEPTEMBER 30, 2012 AND FOR THE YEARS****ENDED DECEMBER 31, 2009, 2010, AND 2011 AND THE NINE MONTHS ENDED****SEPTEMBER 30, 2012 AND 2011 (continued)****16. SEGMENT AND GEOGRAPHIC INFORMATION (continued)**

including college preparation and admissions counseling and tuition assistance, counseling and management services, which do not meet the quantitative thresholds for separate disclosure and are not material for segment reporting individually or in the aggregate. The Company and its chief operating decision makers evaluate performance based on revenues and income from operations.

The assets and liabilities of the Company are managed centrally and are reported internally in the same manner as the consolidated financial statements; thus, no additional information is produced or included herein.

	Full service center-based care	Back-up dependent care	Other educational advisory services	Total
	(In thousands)			
Year ended December 31, 2009				
Revenue	\$ 754,764	\$ 89,704	\$ 7,855	\$ 852,323
Amortization of intangibles	27,641	2,069	250	29,960
Income from operations	50,016	16,811	(55)	66,772
Year ended December 31, 2010				
Revenue	\$ 769,235	\$ 99,086	\$ 9,838	\$ 878,159
Amortization of intangibles	25,324	2,057	250	27,631
Income from operations	46,770	21,141	752	68,663
Year ended December 31, 2011				
Revenue	\$ 844,595	\$ 114,502	\$ 14,604	\$ 973,701
Amortization of intangibles	25,178	1,947	302	27,427
Income from operations	58,950	28,669	(783)	86,836
Nine months ended September 30, 2011				
Revenue (unaudited)	\$ 630,634	\$ 83,683	\$ 10,499	\$ 724,816
Amortization of intangibles (unaudited)	18,927	1,544	226	20,697
Income from operations (unaudited)	44,393	20,491	(830)	64,054
Nine months ended September 30, 2012				
Revenue (unaudited)	\$ 689,678	\$ 94,755	\$ 13,079	\$ 797,512
Amortization of intangibles (unaudited)	19,528	544	226	20,298
Income from operations (unaudited)	44,108	23,591	(179)	67,520

Table of Contents**BRIGHT HORIZONS FAMILY SOLUTIONS INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2010 AND 2011 AND SEPTEMBER 30, 2012 AND FOR THE YEARS****ENDED DECEMBER 31, 2009, 2010, AND 2011 AND THE NINE MONTHS ENDED****SEPTEMBER 30, 2012 AND 2011 (continued)****16. SEGMENT AND GEOGRAPHIC INFORMATION (continued)**

Revenue and long-lived assets by geographic region are as follows (in thousands):

	2009	Years ended December 31, 2010	2011	Nine months ended September 30, 2011 2012 (Unaudited)	
Revenue					
North America	\$ 754,574	\$ 770,848	\$ 843,645	\$ 629,505	\$ 673,025
Europe and other	97,749	107,311	130,056	95,311	124,487
Total Revenue	\$ 852,323	\$ 878,159	\$ 973,701	\$ 724,816	\$ 797,512

	December 31, 2010	2011	September 30, 2012 (Unaudited)
Long-lived assets			
North America	\$ 648,720	\$ 634,672	\$ 639,483
Europe	46,232	55,602	128,942
Total long-lived assets	\$ 694,952	\$ 690,274	\$ 768,425

The classification "North America" is comprised of the Company's United States, Canada and Puerto Rico operations and the classification "Europe and other" includes the Company's United Kingdom, Netherlands, Ireland, and India operations.

17. TRANSACTIONS WITH RELATED PARTIES

We have a management agreement with the Sponsor of the Company who is also a stockholder. The management agreement has a ten year term which commenced May 28, 2008. Fees of \$2.5 million per year have been paid to the Sponsor in each of the years ended December 31, 2009, 2010 and 2011. These fees are included in selling, general and administrative expenses in the consolidated statements of operations. The agreement includes a termination payment that is contingent upon the timing of the termination event.

18. REVERSE STOCK SPLIT

The Company filed an amendment to its certificate of incorporation on January 11, 2013. The amendment effected a 1-for-1.9704 reverse split of its Class A common stock in anticipation of its initial public offering. All previously reported Class A per share and Class A share amounts in the accompanying financial statements and related notes have been restated to reflect the reverse stock split.

19. CLASS L COMMON STOCK CONVERSION

Prior to January 11, 2013, the Company had two classes of common stock designated as Class L and Class A common stock. On January 11, 2013, the Company effected a 1 for 1.9704 reverse split of its Class A common stock and then converted each share of its Class L common stock into 35.1955 shares of Class A common stock in anticipation of its initial public offering. In addition, immediately following the conversion of its Class L common stock, the Company reclassified its Class A common stock into common stock.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Huntyard Limited

We have audited the accompanying consolidated balance sheets of Huntyard Limited as of December 31, 2011 and 2010, and the related consolidated profit and loss accounts, consolidated statements of total recognised gains and losses and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall consolidated financial statement presentation, we believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Huntyard Limited as of December 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United Kingdom.

Generally accepted accounting principles in the United Kingdom vary in certain significant respects from generally accepted account principles in the United States of America. Application of generally accepted accounting principles in the United States of America (U.S. GAAP) would have affected the results of operations of the company for the years ended December 31, 2011 and 2010 to the extent summarised in Note 29 to the financial statements.

/s/ BDO LLP

United Kingdom

August 23, 2012

Table of Contents**HUNTYARD LIMITED****Consolidated profit and loss accounts**

for the years ended 31 December 2011 and 2010

	Note	Continuing operations 2011 £ 000	Acquisitions 2011 £ 000	Total 2011 £ 000	Total 2010 £ 000
Turnover	2	25,113	1,402	26,515	23,726
Cost of sales		14,560	721	15,280	13,755
Gross profit		10,553	681	11,235	9,971
Administrative expenses		5,399	336	5,736	5,109
Group operating profit	3	5,154	345	5,499	4,862
Loss on disposal of operation		-	-	-	(216)
Profit on ordinary activities before interest and other income		5,154	345	5,499	4,646
Other interest receivable and similar income	6			121	222
Interest payable and similar charges	7			(1,630)	(1,663)
Profit on ordinary activities before taxation				3,990	3,205
Taxation on profit on ordinary activities	8			1,247	1,027
Profit on ordinary activities after taxation				2,743	2,178

The accompanying notes on are an integral part of these financial statements.

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HUNTYARD LIMITED

Consolidated statements of total recognised gains and losses

for the years ended 31 December 2011 and 2010

	Note	2011 £ 000	2010 £ 000
Consolidated statement of total recognised gains and losses			
Profit for the financial year		2,743	2,178
Share based payment	20	6	3
Total recognised gains and losses for the financial year		2,749	2,181

The accompanying notes are an integral part of these financial statements.

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Table of Contents**HUNTYARD LIMITED****Consolidated balance sheets**

at 31 December 2011 and 2010

<i>Company number 85120</i>	Note	2011 £ 000	2011 £ 000	2010 £ 000	2010 £ 000
Called up share capital not paid			345		345
Fixed assets					
Tangible assets	10		57,803		51,351
			58,148		51,696
Current assets					
Debtors	12	677		478	
Cash at bank and in hand		1,048		11,111	
		1,725		11,589	
Creditors: amounts falling due within one year	13	38,141		11,859	
Net current liabilities			(36,415)		(270)
Total assets less current liabilities			21,733		51,426
Creditors: amounts falling due after more than one year	14	4,278		36,859	
Provisions for liabilities	15	361		222	
			4,639		37,081
			17,094		14,345

The accompanying notes are an integral part of these financial statements.

Table of Contents**HUNTYARD LIMITED****Consolidated balance sheets**at 31 December 2011 and 2010 *(continued)*

	Note	2011 £ 000	2011 £ 000	2010 £ 000	2010 £ 000
Capital and reserves					
Called up share capital	17		110		110
Share premium account	18		10,928		10,928
Share scheme reserve	18		9		3
Treasury share reserve	18		(215)		(215)
Profit and loss account	18		6,262		3,519
Shareholders funds	19		17,094		14,345

The financial statements were approved by the board of directors and authorised for issue on 23 August 2012.

/s/ E Boland

E Boland

Director

The accompanying notes are an integral part of these financial statements.

Table of Contents**HUNTYARD LIMITED****Company balance sheets****at 31 December 2011 and 2010**

<i>Company number 85120</i>	Note	2011 £ 000	2011 £ 000	2010 £ 000	2010 £ 000
Called up share capital not paid			345		345
Fixed assets					
Fixed asset investments	11		-		-
			345		345
Current assets					
Debtors	12	9,533		9,663	
Cash at bank and in hand		44		96	
		9,577		9,759	
Creditors: amounts falling due within one year	13	8		46	
Net current assets			9,569		9,713
Total assets less current liabilities			9,914		10,058
Capital and reserves					
Called up share capital	17		110		110
Share premium account	18		10,928		10,928
Share scheme reserve	18		9		3
Treasury share reserve	18		(215)		(215)
Profit and loss account	18		(918)		(768)
Shareholders funds	19		9,914		10,058

The accompanying notes are an integral part of these financial statements.

Table of Contents**HUNTYARD LIMITED****Consolidated cashflow statements for the years ended 31 December 2011 and 2010**

	Note	2011 £ 000	2011 £ 000	2010 £ 000	2010 £ 000
Net cash inflow from operating activities	26		6,909		5,784
Returns on investments and servicing of finance					
Interest received		121		222	
Interest paid: bank loans		(1,211)		(1,150)	
Interest paid: hire purchase		-		(3)	
Net cash outflow from returns on investments and servicing of finance			(1,090)		(931)
Taxation					
Corporation tax paid			(1,129)		(935)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(1,921)		(1,783)	
Receipts from sale of tangible fixed assets		13		735	
Net cash outflow from capital expenditure and financial investment			(1,908)		(1,048)
Acquisitions and disposals					
Purchase of business operations		(5,564)		-	
Cash acquired on acquisition		630		-	
Net cash outflow from acquisitions and disposals			(4,934)		-
Cash (outflow)/inflow before use of financing			(2,152)		2,870
Financing					
Share premium thereon		-		(65)	
Loans repaid		(375)		(660)	
Capital element of finance leases repaid		-		(19)	
Purchase of treasury shares		-		(214)	
Net cash outflow from financing			(375)		(958)
(Decrease)/increase in cash	27		(2,527)		1,912

The accompanying notes are an integral part of these financial statements.

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HUNTYARD LIMITED

Notes forming part of the financial statements

for the year ended 31 December 2011 and 2010

1 Accounting policies

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

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Huntyard Limited and all of its subsidiary undertakings as at 31 December 2011 using the acquisition method of accounting. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Turnover

Turnover represents the value of sales, excluding value added tax and is attributable to the group's principal activities, and arises wholly within the United Kingdom. Nursery fees paid in advance are held in other creditors and only recognised in the period to which they relate.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

For assets acquired through business combinations cost is determined as the fair value of the assets acquired, with the properties being fair valued using the value in use method.

Freehold land is not depreciated.

Depreciation is provided on tangible fixed assets at rates calculated.

Freehold property	- 2% on the depreciable amount
Leasehold property	- Over the period of the lease
Motor vehicles	- 33.33% per annum on cost
Fixtures and fittings	- 20% per annum on cost
Computer equipment	- 33.33% per annum on cost

The cost of land and buildings includes interest on the capital employed in the development of the nurseries and the development costs associated with initiating and monitoring the construction of the property. Such interest is capitalised only until the date of opening of the relevant nursery. The rate of interest used is the applicable cost of funds during the period.

Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down would be charged to the operating profit.

Valuation of investments

Investments held as fixed assets are valued at historic cost less any provision for impairment.

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HUNTYARD LIMITED

Notes forming part of the financial statements

for the year ended 31 December 2011 and 2010 (*continued*)

1 Accounting policies (*continued*)

Taxation

The charge for taxation is based on the profit 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 group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the group.

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Finance Fees

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Arrangements and other issue costs incurred as a result of entering into a loan and other facilities are expensed over the length of the related loan or facility in accordance with Financial Reporting Standard 4 Accounting for Capital Instruments .

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****1 Accounting policies (continued)****Government grants**

Capital grants received are held on the balance sheet and are amortised over the same period as the assets to which they relate. Grants of a revenue nature are credited to the profit and loss account in the same year as the related expenditure.

Share-based payment

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

2 Turnover

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom.

3 Operating profit

	2011 £ 000	2010 £ 000
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	811	746
(Profit)/loss on disposal of tangible fixed assets	(9)	23
Hire of other assets - operating leases	281	268
Auditors' remuneration for group audit services	5	5
- in respect of subsidiaries	33	31
- for taxation services	24	9
- all other services	2	-
Share-based payment (see note 20)	6	3

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

During the year corporate finance transaction fees totalling £16,000 (2010: £nil) were paid to the auditors.

Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****4 Employees**

Staff costs (including directors) consist of:

	Group 2011 £ 000	Group 2010 £ 000
Wages and salaries	13,273	11,743
Social security costs	907	823
Other pension costs	106	103
	14,286	12,669

The average number of employees (including directors) during the year was as follows:

	Group 2011 Number	Group 2010 Number
Operational	1,059	945
Management and administration	36	29
	1,095	974

5 Directors remuneration

	2011 £ 000	2010 £ 000
Directors emoluments	89	216
Company contributions to money purchase pension schemes	25	19

There was 1 director in the group's defined contribution pension scheme during the year (2010 - 1).

The total amount payable to the highest paid director in respect of emoluments was £69,160 (2010 - £208,724). Company pension contributions of £25,200 (2010 - £19,200) were made to a money purchase scheme on their behalf.

6 Other interest receivable and similar income

2011 2010

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	£ 000	£ 000
Interest received from bank and treasury accounts	121	222

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****7 Interest payable and similar charges**

	2011 £	2010 £
Bank loans and overdrafts	1,151	1,179
HP interest	-	2
Other finance costs	90	123
Related company loan interest	389	359
	1,630	1,663

Other finance costs consist of Bank of Scotland loan agreement fees for the acquisitions made by the group. These costs are amortised over the period of the loan.

8 Taxation on profit on ordinary activities

	2011 £ 000	2010 £ 000
<i>UK Corporation tax</i>		
Current tax on profits of the year	1,121	900
Adjustment in respect of previous periods	(10)	(11)
Total current tax	1,111	889
<i>Deferred tax</i>		
Origination and reversal of timing differences	127	124
Adjustment in respect of previous periods	9	14
Movement in deferred tax provision	136	138
Taxation on profit on ordinary activities	1,247	1,027

The tax assessed for the year is higher than/lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2011 £ 000	2010 £ 000
Profit on ordinary activities before tax	3,990	3,205
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010 - 28.0%)	1,057	897
Effect of:		

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Expenses not deductible for tax purposes	165	108
Capital allowances for period in excess of depreciation	(144)	(142)
Adjustment to tax charge in respect of previous periods	(10)	(10)
Other timing differences	3	21
Losses in parent company	40	15
Current tax charge for the year	1,111	889

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****Factors that may affect future tax charges**

As at 31 December 2011 there are capital losses carried forward totalling £146,000 (2010: £146,000).

9 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a loss after tax of £149,255 (2010 - £54,992) which is dealt with in the financial statements of the parent company.

10 Tangible fixed assets**Group**

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Motor vehicles £ 000	Fixtures and fittings £ 000	Total £ 000
<i>Cost or valuation</i>					
At 1 January 2011	48,209	3,192	157	3,425	54,983
Additions	628	425	46	840	1,939
Acquisition of subsidiary	5,185	93	12	37	5,327
Disposals	(2)	(26)	(39)	-	(68)
Transfers	(2,031)	2,031	-	-	-
At 31 December 2011	51,989	5,715	176	4,302	62,182
<i>Depreciation</i>					
At 1 January 2011	694	428	133	2,377	3,632
Provided for the year	208	23	36	544	811
Disposals	-	(26)	(38)	-	(64)
Transfers	(22)	22	-	-	-
At 31 December 2011	880	447	131	2,921	4,379
<i>Net book value</i>					
At 31 December 2011	51,109	5,268	45	1,381	57,803
At 31 December 2010	47,515	2,764	24	1,048	51,351

The net book value of tangible fixed assets for group and company includes an amount of £Nil (2010 - £Nil) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £Nil (2010 - £1,684).

Included within the group freehold land and buildings is £9,100,230 (2010: £8,605,230) attributable to the land element which is not depreciated.

Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****11 Fixed asset investments****Company**

	Group undertakings £ 000
<i>Cost or valuation</i>	
At 1 January 2011 and 31 December 2011	0

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>Direct subsidiary undertakings</i>			
Casterbridge Care and Education Group Limited	England	100%	Holding company
Casterbridge Real Estate 2 Limited	England	100%	Dormant
<i>Indirect subsidiary undertakings</i>			
Casterbridge Care and Education Limited	England	100%	Intermediate holding company
Casterbridge Nurseries (Eton Manor) Limited	England	100%	Dormant
Dolphin Nurseries (Bracknell) Limited	England	100%	Dormant
Dolphin Nurseries (Tooting) Limited	England	100%	Dormant
Sam Bell Enterprises Limited	England	100%	Dormant
Tassel Road Children's Day Nursery Limited	England	100%	Dormant
Surculus Properties Limited	England	100%	Dormant
Dolphin Nurseries (Banstead) Limited	England	100%	Dormant
Dolphin Nurseries (Kingston) Limited	England	100%	Dormant
Dolphin Nurseries (Caterham) Limited	England	100%	Dormant
Dolphin Nurseries (Northwick Park) Limited	England	100%	Dormant
Springfield Lodge Day Nursery (Dartford) Limited	England	100%	Children's nursery
Springfield Lodge Day Nursery (Swanscombe) Limited	England	100%	Children's nursery
Casterbridge Nurseries (HH) Limited	England	100%	Dormant
Casterbridge Real Estate Limited	England	100%	Property company
Casterbridge Nurseries Limited	England	100%	Children's nursery
Inglewood Day Nursery and College Limited	England	100%	Children's nursery
Casterbridge Nurseries (Gaynes Park) Limited	England	100%	Dormant

Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****12 Debtors**

	Group 2011 £ 000	Group 2010 £ 000	Company 2011 £ 000	Company 2010 £ 000
Amounts receivable within one year				
Trade debtors	129	31	-	-
Amounts owed by related parties	-	22	-	-
Other debtors	265	165	-	-
Prepayments and accrued income	284	260	-	-
	678	478	-	-
Amounts receivable after more than one year				
Amounts owed by group undertakings	-	-	9,533	9,663
Total debtors	678	478	9,533	9,663

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

13 Creditors: amounts falling due within one year

	Group 2011 £ 000	Group 2010 £ 000	Company 2011 £ 000	Company 2010 £ 000
Bank loans and overdrafts (secured)	32,935	7,910	-	-
Trade creditors	343	480	-	-
Amounts owed to related undertakings	362	-	-	-
Corporation tax	645	532	-	-
Other taxation and social security	229	214	-	-
Other creditors	2,300	1,590	-	-
Accruals and deferred income	1,327	1,133	8	46
	38,141	11,859	8	46

The bank loans and overdrafts are secured over all the assets of the group, a cross corporate guarantee with all group companies and a first legal charge over the freehold properties.

Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****14 Creditors: amounts falling due after more than one year**

	Group 2011 £ 000	Group 2010 £ 000	Company 2011 £ 000	Company 2010 £ 000
Bank loans (secured)	-	32,845	-	-
Other loans	4,278	3,889	-	-
Accruals and deferred income	-	125	-	-
	4,278	36,859	-	-

Maturity of debt:

	Loans and overdrafts 2011 £	Loans and overdrafts 2010 £
In one year or less, or on demand	32,935	7,910
In more than one year but not more than two years	4,278	36,734

The other loans are unsecured and are due for repayment on 2 April 2013.

In a previous period a subsidiary company, Casterbridge Care and Education Group Limited, entered into a bank loan agreement which is guaranteed by all group companies. At 31 December 2011 the loan totalled £33,087,494 (2010: £33,462,494). The bank loans are secured over the assets of the group companies by a way of a fixed and floating charge. The loans are repayable in full on 21st December 2012. The loans attract interest at between 2.25-2.75% above period LIBOR rates. The acquisition facility has the potential for additional borrowing for any further acquisitions dependent on certain criteria.

15 Provisions for liabilities**Group**

	Deferred taxation £ 000
At 1 January 2011	222
Charged to profit and loss account	136
Undertaking acquired	3
At 31 December 2011	361

Deferred taxation

	Group 2011 £ 000	Group 2010 £ 000	Company 2011 £ 000	Company 2010 £ 000
Accelerated capital allowances	338	159	-	-
Sundry timing differences	23	63	-	-
	361	222	-	-

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****16 Pensions**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £105,861 (2010 - £103,057). Contributions amounting to £44,100 (2010 - £20,945) were payable to the fund and are included in creditors.

17 Share capital

	2011 £ 000	2010 £ 000
<i>Allotted, called up and fully paid</i>		
10,957,498 redeemable shares of 1pence each	110	110

In addition there are 2 ordinary shares of 1p each in issue.

18 Reserves**Group**

	Share premium account £ 000	Share scheme reserve £ 000	Treasury share reserve £ 000	Profit and loss account £ 000
At 1 January 2011	10,928	3	(215)	3,519
Profit for the year	-	-	-	2,743
Other movements	-	6	-	-
At 31 December 2011	10,928	9	(215)	6,262

Company

	Share premium account £ 000	Share scheme reserve £ 000	Treasury share reserve £ 000	Profit and loss account £ 000
At 1 January 2011	10,928	3	(215)	(769)
Loss for the year	-	-	-	(149)
Other movements	-	6	-	-
At 31 December 2011	10,928	9	(215)	(918)

Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements**

for the year ended 31 December 2011 and 2010 (continued)

19 Reconciliation of movements in shareholders funds

	Group 2011 £ 000	Group 2010 £ 000	Company 2011 £ 000	Company 2010 £ 000
Profit/(loss) for the year	2,743	2,178	(150)	(54)
Other net recognised gains and losses relating to the year				
- Share based payment	6	3	6	3
Shares redeemed	-	(0)	-	(0)
Utilised on redemption of shares	-	(65)	-	(65)
Purchase of treasury shares	-	(215)	-	(215)
Net additions to/(deductions from) shareholders funds	2,749	1,901	(144)	(331)
Opening shareholders funds	14,345	12,444	10,058	10,389
Closing shareholders funds	17,094	14,345	9,914	10,058

20 Share-based payments

The company operates a share option scheme for the benefit of employees, this share scheme is an approved scheme. This share scheme grants options in the ordinary stock of the parent undertaking.

	2011 Weighted average exercise price £	2011 Number	2010 Weighted average exercise price £	2010 Number
Outstanding at the beginning of the year	1.30	213,000	-	-
Granted during the year	-	-	1.30	213,000
Outstanding at the end of the year	1.30	213,000	1.30	213,000

The date of the grant was 28 May 2010, in which 25 employees joined. The expected life of the options granted are 3 years.

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share based remuneration schemes operated by Huntyard Limited.

	2011	2010
Equity-settled		

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Option pricing model used	Monte Carlo Model	Monte Carlo Model
Weighted average exercise price at grant date (pence)	1.30	1.30
Weighted average contractual life (years)	3	3
Risk-free interest rate	2.00%	2.00%

The volatility assumption has been based on a review of comparable companies.

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****20 Share-based payments (continued)**

The share-based remuneration expense (note 3) comprises:

	2011 £ 000	2010 £ 000
Equity-settled schemes	6	3

The group did not enter into any share-based payment transactions with parties other than employees during the current or prior year.

21 Acquisitions***Acquisition of Springfield Lodge Day Nursery (Swanscombe) Limited***

On 12 May 2011 the group acquired Springfield Lodge Day Nursery (Swanscombe) Limited, and the property from which it trades, for £2,020,304 paid by cash. This included the fees on acquisition.

In calculating the goodwill arising on acquisition, the fair value of the net assets of Springfield Lodge Day Nursery (Swanscombe) Limited have been assessed and adjustments from book value have been made where necessary. These adjustments are summarised in the following table:

	Book value £ 000	Acquisition of Property £ 000	Fair value on acquisition £ 000	Fair value £ 000
Fixed assets				
Tangible	104	945	866	1,915
Current assets				
Debtors	39	-	-	39
Cash at bank and in hand	292	-	-	292
Total assets	435	945	866	2,246
Creditors				
Due within one year	225	-	-	225
Total assets less current liabilities	210	945	866	2,021
Provisions				
Provisions for liabilities	1	-	-	1
Net assets	209	945	866	2,020

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	£ 000
Cash consideration (including acquisition fees)	2,020
Net assets acquired	2,020
Goodwill arising on acquisition	-

The fair value adjustment relates to the value in use valuation of the freehold property acquired on acquisition.

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****21 Acquisitions (continued)****Cash flows**

The net outflow of cash arising from the acquisition of Springfield Lodge Day Nursery (Swanscombe) Limited was as follows:

	£ 000
Cash consideration, as above	2,020
Cash acquired	(292)
Net outflow of cash	1,728

Acquisition of Springfield Lodge Day Nursery (Dartford) Limited

On 12 May 2011 the group acquired Springfield Lodge Day Nursery (Dartford) Limited, and the property from which it trades, for £3,544,042 paid by cash. This included the fees on acquisition.

In calculating the goodwill arising on acquisition, the fair value of the net assets of Springfield Lodge Day Nursery (Dartford) Limited have been assessed and adjustments from book value have been made where necessary. These adjustments are summarised in the following table:

	Book value £ 000	Acquisition of Property £ 000	Fair Value Adjustment £ 000	Fair value £ 000
Fixed assets				
Tangible	39	1,035	2,339	3,413
Intangible	54	-	(54)	-
Current assets				
Debtors	148	-	-	148
Cash at bank and in hand	338	-	-	338
Total assets	579	1,035	2,285	3,899
Creditors				
Due within one year	353	-	-	353
Total assets less current liabilities	226	1,035	2,285	3,546
Provisions				
Provisions for liabilities	2	-	-	2
Net assets	224	1,035	2,285	3,544

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	£ 000
Cash consideration (including acquisition fees)	3,544
Net assets acquired	3,544
Goodwill arising on acquisition	-

The fair value adjustment relates to the value in use valuation of the freehold property acquired on acquisition.

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****21 Acquisitions (continued)****Cash flows**

The net outflow of cash arising from the acquisition of Springfield Lodge Day Nursery (Dartford) Limited was as follows:

	£ 000
Cash consideration, as above	3,544
Cash acquired	(338)
Net outflow of cash	3,206

22 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2011 £ 000	Land and buildings 2010 £ 000
Operating leases which expire:		
Within one year	-	17
After five years	289	214
	289	231

23 Related party disclosures***Controlling parties***

The company is controlled by Lydian Capital Partners LP by virtue of its interest in Huntyard Limited.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 Related party disclosures not to disclose transactions with its wholly owned subsidiaries.

Related party transactions and balances

At the year end £362,231 (2010: (£22,023 owed from)) was owed to Kedleston UK Limited.

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A further £4,277,537 (2010: £3,888,670) is due to Roundwood (Finance) Limited. The loan attracts interest at 10% per annum and £388,867 (2010: £358,705) has been accrued in the year. The loan is due for repayment on 2 April 2013.

During the year management charges totalling £130,000 (2010: £40,000) and £3,500 (2010: £4,000) were charged by Mountford Limited and Roundwood (Finance) Limited. The amount due to Roundwood (Finance) Limited was outstanding at year end.

All companies noted above are related through the interest of the ultimate controlling party, Lydian Capital Partners LP.

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****24 Ultimate parent company and controlling party**

The largest and smallest group in which the results of the company are consolidated is that headed by Huntyard Limited, incorporated in Jersey. The consolidated accounts of this company are available to the public and may be obtained from Queensway House, Hilgrove Street, Jersey, JE1 IES. No other group accounts include the results of the company.

25 Capital commitments

	Group 2011 £ 000	Group 2010 £ 000	Company 2011 £ 000	Company 2010 £ 000
Contracted but not provided for	-	107	-	-

26 Reconciliation of operating profit to net cash inflow from operating activities

	2011 £ 000	2010 £ 000
Operating profit	5,499	4,862
Depreciation of tangible fixed assets	811	745
(Profit)/loss on sale of tangible fixed assets	(9)	23
(Increase)/decrease in debtors	(13)	28
Increase in creditors	615	123
Share based payment charge	6	3
Net cash inflow from operating activities	6,909	5,784

27 Reconciliation of net cash flow to movement in net debt

	2011 £ 000	2010 £ 000
(Decrease)/increase in cash	(2,527)	1,912
Cash inflow from changes in debt	375	679
Movement in net debt resulting from cash flows	(2,152)	2,591
Capitalisation of interest	(389)	(359)
Amortisation of debt issue costs	(90)	(123)
Movement in net debt	(2,631)	2,109
Opening net debt	(33,533)	(35,642)

Closing net debt

(36,164)

(33,533)

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****28 Analysis of net debt**

	At 1 January 2011 £ 000	Cash flow £ 000	Other non-cash items £ 000	At 31 December 2011 £ 000
Cash at bank and in hand	11,111	(10,062)	-	1,049
Bank overdrafts	(7,535)	7,535	-	-
		(2,527)		
Debt due within one year	(375)	375	(32,935)	(32,935)
Debt due after one year	(36,734)	-	32,456	(4,278)
Total	(33,533)	(2,152)	(479)	(36,164)

29 Summary of differences between UK and US generally accepted accounting principles

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting practices in the United Kingdom (UK GAAP) which differs in certain significant respects from generally accepted accounting principles in the United States of America (US GAAP). The significant differences that effect profit/(loss) and equity shareholders funds for the years ended December 31, 2011 and 2010 are set forth below:

	Notes	2011 £ 000	2010 £ 000
Reconciliation of profit for the financial year from UK GAAP to US GAAP			
Profit for the financial year under UK GAAP		2,743	2,178
Depreciation of freeholds and leaseholds under UK GAAP	A, A.i	231	237
Depreciation and amortization of buildings and leasehold improvements under US GAAP	A, A i	(762)	(673)
Amortization of other intangible assets under US GAAP	A ii	(130)	(133)
Deferred taxes related to the amortization of other intangible assets under US GAAP	B	34	36
Reserve for uncertain tax positions under US GAAP	C	(86)	(197)
Acquisition costs for business combinations expensed under US GAAP	A iii	(355)	-
Loss on disposal of operation under UK GAAP	A iv	-	239
Loss on disposal of operation under US GAAP	A iv	-	(59)
Net income under US GAAP		1,675	1,628

	Notes	2011 £ 000	2010 £ 000
Reconciliation of shareholders funds from UK GAAP to US GAAP			
Shareholders funds under UK GAAP		17,094	14,345
Cumulative adjustment to beginning retained earnings at 1 January 2010 for adjustments to depreciation and amortization of buildings and leasehold improvements and other intangibles under US GAAP	A	(3,271)	(3,271)

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Cumulative adjustment to beginning retained earnings at 1 January 2010 for adjustments to deferred tax liabilities related to amortization of other intangibles recognized under US GAAP	B	(61)	(62)
Profit for the financial year under UK GAAP		(2,743)	(2,178)
Net income under US GAAP		1,675	1,628
Net adjustments to convert the profit for the 2010 financial year under UK GAAP to net income under US GAAP		(550)	-
Shareholders funds under US GAAP		12,144	10,462

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Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****29 Summary of differences between UK and US generally accepted accounting principles (continued)**

	Notes	2011 £ 000	2010 £ 000
Reconciliation of material balance sheet amounts at December 31 from UK GAAP to US GAAP			
Tangible assets under UK GAAP		57,803	51,351
Cumulative adjustment to beginning retained earnings at 1 January 2010 for freehold and leasehold differences relating to depreciation and amortization under US GAAP	A	(3,271)	(3,271)
Net adjustment for disposal of operation under UK GAAP in 2010 to US GAAP	A iv	180	180
Net adjustments of depreciation and amortization of freeholds and leaseholds from UK GAAP to US GAAP	A	(1,229)	(570)
Allocation to goodwill under US GAAP	A	(13,819)	(12,440)
Allocation to other intangible assets, net, under US GAAP	A	(207)	(92)
Acquisition costs for business combinations expensed under US GAAP	A	(355)	-
Deferred tax liabilities related to the disposal of operation under US GAAP		(1)	(1)
Property, plant and leasehold improvements under US GAAP		39,101	35,157
Goodwill allocated from tangible assets under US GAAP	A	13,819	12,440
Deferred tax liabilities related to business combinations under US GAAP	B	61	-
Goodwill under US GAAP		13,880	12,440
Other intangibles, net under US GAAP		207	92

Notes

- A. Business combinations Fixed assets acquired in business combinations in the years 2004 to 2011 were recorded at their in use fair value as allowed under UK GAAP. An allocation of the purchase price to other intangible assets, such as trademarks, parent relationships and goodwill, was not recorded. Under US GAAP, other intangible assets identified in a business combination are recognized at their fair value as of the acquisition date and amortized over their useful lives. Goodwill is recognized if the consideration transferred exceeds the acquisition date fair value of the identifiable net assets acquired, including other intangible assets. Therefore, goodwill and other intangible assets were identified and separately recorded at the acquisition date fair values in accordance with US GAAP. This resulted in reductions to the amounts recorded for the acquired freeholds and leaseholds recognized under UK GAAP for the allocation of other intangible assets and goodwill and the related adjustments to depreciation and amortization expense.
- i. Freeholds and leaseholds were depreciated under UK GAAP over their useful lives (50 years for freeholds and over the lease term for leaseholds) on a straight line basis. The depreciable base of freeholds and leaseholds was calculated after reducing the value of the assets for their estimated residual values which represented approximately 80% of the assets' cost. Under US GAAP, property and leasehold improvements were depreciated and amortized over their estimated useful lives (40 years for property and the shorter of their useful lives or the lease term for leasehold improvements) on a straight line basis and no residual values.
 - ii. Other intangible assets, such as trademarks and parent relationships, were amortized under US GAAP using an accelerated method which approximates the expected cash flows over the

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HUNTYARD LIMITED

Notes forming part of the financial statements

for the year ended 31 December 2011 and 2010 (continued)

29 Summary of differences between UK and US generally accepted accounting principles (continued)

- estimated useful lives of 5 years. Under US GAAP, goodwill is not amortized and is tested for impairment at least annually.
- iii. Acquisition costs were included in the allocation of the purchase price for the 2011 business combinations under UK GAAP. Acquisition costs for business combinations are expensed under US GAAP beginning January 1, 2009.
 - iv. The Company disposed of a nursery in 2010. The adjustments to net disposal of operations in the tables above relate to the differences in depreciation and amortization between UK GAAP and US GAAP for property and leasehold improvements, and intangible assets for the nursery.
- B. **Deferred taxes** Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities using tax rates that are expected to apply in the years the temporary differences are expected to reverse. Deferred taxes have been provided at the applicable effective tax rate on relevant US GAAP adjustments shown in the reconciliation above. Valuation allowances are provided when it is believed that it is more likely than not that a benefit will not be realized from identified tax assets.
- C. **Uncertain tax positions** Under US GAAP, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. Measurement is recognized as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. A reserve was recorded for uncertain tax positions. The adjustment to book uncertain tax positions in income tax expense as of December 31, 2010 was £197,000. Interest and penalties of £39,000 are included for uncertain tax positions, and recorded to tax expense.

At December 31, 2011, the total amount of uncertain tax positions was £283,000. Approximately an additional £66,000 of reserve and £20,000 of interest and penalties was recorded in tax expense during the year.

The Company does not expect a material change to the reserve for uncertain tax positions in the next twelve months.

Cash Flows

The consolidated cash flow statements have been prepared under UK GAAP and present substantially the same information as required under US GAAP. There are certain differences with regard to classification of items within the cash flow statements. Under UK GAAP, cash flows are prepared separately for operating activities, returns on investments and servicing of finance, taxation, capital expenditures and financial investment, acquisitions and disposals, and financing. Under US GAAP, cash flows are classified under three major categories, operating activities, investing activities and financing activities. Under UK GAAP, cash is defined as cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Under US GAAP, cash and cash equivalents are defined as cash and investments with original maturities of three months or less.

Table of Contents**HUNTYARD LIMITED****Notes forming part of the financial statements****for the year ended 31 December 2011 and 2010 (continued)****29 Summary of differences between UK and US generally accepted accounting principles (continued)**

A reconciliation between the consolidated statement of cash flows presented in accordance with UK GAAP to US GAAP classification is shown below for the years ended December 31:

	2011	2010
	£ 000	£ 000
Operating activities:		
Net cash inflow from operating activities (UK GAAP)	6,909	5,784
Net cash outflow from returns on investments and servicing of finance (UK GAAP)	(1,090)	(931)
Corporation tax paid (UK GAAP)	(1,129)	(935)
Net cash provided by operating activities (US GAAP)	4,690	3,918
Investing activities:		
Net cash outflow for capital expenditure and financial investment (UK GAAP)	(1,908)	(1,048)
Net cash outflow from acquisitions and disposals (UK GAAP)	(4,934)	-
Net cash used in investing activities (US GAAP)	(6,842)	(1,048)
Financing activities:		
Net cash outflow from financing (UK GAAP)	(375)	(958)
Net cash used in financing activities (US GAAP)	(375)	(958)
Net (decrease)/increase in cash and cash equivalents	(2,527)	1,912
Cash and cash equivalents, beginning of period	3,575	1,663
Cash and cash equivalents, end of period	1,048	3,575

30 Litigation

A suit has been brought against two of the Company's wholly owned subsidiaries and two other defendants in relation to an incident that occurred at one of the Company's nurseries in 2007. The case alleges that the defendants were in breach of duty under the Health and Safety Work Act 1974, and that this contributed to the death of a child. The Company's subsidiaries pleaded not guilty to all causal allegations and guilty to certain non-causal breaches of the Health and Safety Work Act. The case against the Company's subsidiaries is pending the resolution of the civil trial against the other two defendants. At December 31, 2011, the accrued liability was increased to £400,000 from £100,000 at December 31, 2010, in relation to this case. A civil suit regarding the incident has already been settled and no further claims or damages are anticipated. There was no criminal prosecution related to this incident. The Company's management does not believe that the ultimate resolution of the case will have a material adverse effect on its business, results of operations, financial condition or cash flows.

31 Subsequent Event

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On May 23, 2012, the Company was acquired by BHFS Two Limited for consideration of approximately £70 million in cash. BHFS Two Limited is a wholly owned subsidiary of Bright Horizons Family Solutions Inc., a U.S.-based provider of workplace services, including center-based child care, back-up dependent care, and early education, with 743 child care centers worldwide at December 31, 2011.

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10,100,000 Shares

Bright Horizons Family Solutions Inc.

Common Stock

Goldman, Sachs & Co.

J.P. Morgan

Barclays

BofA Merrill Lynch

Credit Suisse

Baird

BMO Capital Markets

Stifel Nicolaus Weisel

SMBC Nikko

Through and including February 18, 2013 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.