

Registration number 2431058

**Littleworld Day Nurseries Plc**  
**Directors' report and financial statements**  
**for the year ended 31 March 2003**



## **Littleworld Day Nurseries Plc**

### **Company information**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | G W Scott O.B.E<br>T R Price<br>J Cubitt<br>G L R Metz  |
| <b>Secretary</b>         | T R Price   |
| <b>Company number</b>    | 2431058   |
| <b>Registered office</b> | Westgate House<br>42 Chapel Street<br>King's Lynn<br>Norfolk<br>PE30 1EF                      |
| <b>Auditors</b>          | Avn Arena Limited<br>Westgate House<br>42 Chapel Street<br>King's Lynn<br>Norfolk<br>PE30 1EF |
| <b>Business address</b>  | 47 Weyhill Road<br>Andover<br>Hampshire<br>SP10 3AN   |
| <b>Bankers</b>           | Barclays Bank Plc<br>5 High Street<br>Andover<br>Hampshire<br>SP10 1LN                        |

## **Littleworld Day Nurseries Plc**

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**Littleworld Day Nurseries Plc**

**Chairman's Statement  
for the year ended 31 March 2003**

The results for the year show a pleasing improvement compared to last year. However there are twin clouds on the horizon as there is a developing surplus of private nursery places in the country, at a time when it will be difficult to prevent our costs from rising at above the rate of inflation, if we are to retain the high quality staff upon which our reputation is based.

The start to the current financial year has been satisfactory although as noted above the trading environment is challenging as we move into the key operating quarter when the older children leave for primary school.

Finally I would like to pay tribute to Jan Cubitt and her staff for all their hard work and their contribution to the success of the Nursery during the past year.

G W Scott O.B.E  
Chairman

# **Littleworld Day Nurseries Plc**

## **Directors' report for the year ended 31 March 2003**

The directors present their report and the financial statements for the year ended 31 March 2003.

### **Principal activity and review of the business**

The principal activity of the company is that of the provision of private nursery facilities.

### **Results and dividends**

The results for the year are set out on page 6.

The directors do not recommend payment of a final dividend.

### **Payments of creditors**

Littleworld Day Nurseries Plc had an average of 30 days purchases outstanding in trade creditors.

### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

|                 | <b>Ordinary shares</b> |                 |
|-----------------|------------------------|-----------------|
|                 | <b>31/03/03</b>        | <b>01/04/02</b> |
| G W Scott O.B.E | 162,379                | 162,379         |
| J Cubitt        | -                      | -               |
| G L R Metz      | 1,000                  | 1,000           |
| T R Price       | 162,424                | 161,424         |

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

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

**Littleworld Day Nurseries Plc**

**Directors' report  
for the year ended 31 March 2003**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Following the change of our auditors Bulley Davey to a limited company from 1st January 2003, Bulley Davey resigned on 2nd June 2003 and the Directors approved its successor Avn Arena Limited as auditors. A resolution to reappoint Avn Arena Limited as auditors to the company will be put to the Annual General Meeting.

This report was approved by the Board on 15 July 2003 and signed on its behalf by



T R Price  
Secretary

## **Littleworld Day Nurseries Plc**

### **Independent auditors' report to the shareholders of Littleworld Day Nurseries Plc**

We have audited the financial statements of Littleworld Day Nurseries Plc for the year ended 31 March 2003 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Littleworld Day Nurseries Plc**

**Independent auditors' report to the shareholders of Littleworld Day Nurseries Plc continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Avn Arena Ltd', is written across the page.

**Avn Arena Limited**  
**Registered auditors**  
**17 July 2003**

**Westgate House**  
**42 Chapel Street**  
**King's Lynn**  
**Norfolk**  
**PE30 1EF**



# Littleworld Day Nurseries Plc

## Profit and loss account for the year ended 31 March 2003

|   |       | Continuing operations |           |
|---|-------|-----------------------|-----------|
|   |       | 2003                  | 2002      |
|   | Notes | £                     | £         |
| Turnover                                      | 2     | 411,604               | 380,931   |
| Cost of sales                                 |       | (301,786)             | (301,737) |
| Gross profit                                  |       | 109,818               | 79,194    |
| Administrative expenses                       |       | (81,536)              | (74,385)  |
| Operating profit                              | 3     | 28,282                | 4,809     |
| Other interest receivable and similar income  | 4     | 6,261                 | 7,492     |
| Profit on ordinary activities before taxation |       | 34,543                | 12,301    |
| Tax on profit on ordinary activities          | 6     | (8,420)               | (3,486)   |
| Retained profit for the year                  |       | 26,123                | 8,815     |
| Accumulated loss brought forward              |       | (67,807)              | (76,622)  |
| Accumulated loss carried forward              |       | (41,684)              | (67,807)  |

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 9 to 14 form an integral part of these financial statements.

# Littleworld Day Nurseries Plc

## Balance sheet as at 31 March 2003

|   |       | 2003            |                | 2002            |                |
|---|-------|-----------------|----------------|-----------------|----------------|
|   | Notes | £               | £              | £               | £              |
| <b>Fixed assets</b>                                   |       |                 |                |                 |                |
| Tangible assets                                       | 7     |                 | 178,699        |                 | 178,287        |
| <b>Current assets</b>                                 |       |                 |                |                 |                |
| Debtors   | 8     | 9,728           |                | 7,582           |                |
| Cash at bank and in hand                              |       | 235,710         |                | 201,818         |                |
|   |       | <u>245,438</u>  |                | <u>209,400</u>  |                |
| <b>Creditors: amounts falling due within one year</b> | 9     | <u>(26,089)</u> |                | <u>(15,763)</u> |                |
| <b>Net current assets</b>                             |       |                 | 219,349        |                 | 193,637        |
| <b>Net assets</b>                                     |       |                 | <u>398,048</u> |                 | <u>371,924</u> |
| <b>Capital and reserves</b>                           |       |                 |                |                 |                |
| Called up share capital                               | 10    |                 | 365,042        |                 | 365,041        |
| Share premium account                                 | 11    |                 | 74,690         |                 | 74,690         |
| Profit and loss account                               | 11    |                 | (41,684)       |                 | (67,807)       |
| <b>Equity shareholders' funds</b>                     | 12    |                 | <u>398,048</u> |                 | <u>371,924</u> |

The financial statements were approved by the Board on 15 July 2003 and signed on its behalf by

  
T R Price  
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

# Littleworld Day Nurseries Plc

## Cash flow statement for the year ended 31 March 2003

|  | Notes | 2003<br>£      | 2002<br>£      |
|--|-------|----------------|----------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                |                |
| Operating profit   |       | 34,543         | 4,809          |
| Depreciation   |       | 14,104         | 12,892         |
| Increase in debtors  |       | (2,146)        | 7,121          |
| Increase in creditors  |       | 5,406          | (14,135)       |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>51,907</u>  | <u>10,687</u>  |
| <b>Cash flow statement</b>   |       |                |                |
| Net cash inflow from operating activities  |       | 51,907         | 10,687         |
| Taxation   | 14    | (3,499)        | (5,885)        |
| Capital expenditure  | 14    | (14,516)       | (5,058)        |
| <b>Increase in cash in the year</b>  |       | <u>33,892</u>  | <u>(256)</u>   |
| <b>Reconciliation of net cash flow to movement in net funds (Note 15)</b>              |       |                |                |
| Increase in cash in the year   |       | 33,892         | (256)          |
| Net funds at 1 April 2002  |       | 201,818        | 202,074        |
| <b>Net funds at 31 March 2003</b>  |       | <u>235,710</u> | <u>201,818</u> |

**Littleworld Day Nurseries Plc**

**Notes to the financial statements  
for the year ended 31 March 2003**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

**1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

**1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold buildings - Straight line between 10 and 15 years

Fixtures and fittings - 20% straight line

**1.4. Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**Class of business**

**3. Operating profit**

|  | <b>2003</b> | <b>2002</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Operating profit is stated after charging:                 |             |             |
| Depreciation and other amounts written off tangible assets | 14,104      | 12,892      |
| Auditors' remuneration                                     | 1,750       | 1,750       |

**4. Interest receivable and similar income**

|               | <b>2003</b> | <b>2002</b> |
|---------------|-------------|-------------|
|               | <b>£</b>    | <b>£</b>    |
| Bank interest | 6,261       | 7,492       |

# Littleworld Day Nurseries Plc

## Notes to the financial statements for the year ended 31 March 2003

..... continued

### 5. Employees

#### Number of employees

The average full time equivalent monthly numbers of employees during the year were:

|                            | 2003      | 2002      |
|----------------------------|-----------|-----------|
| Nursery and administration | 29        | 28        |
| Managing director          | 1         | 1         |
|                            | <u>30</u> | <u>29</u> |

#### Employment costs

|                    | 2003<br>£      | 2002<br>£      |
|--------------------|----------------|----------------|
| Wages and salaries | <u>271,936</u> | <u>275,090</u> |

### 5.1. Directors' emoluments

|            | 2003<br>£     | 2002<br>£     |
|------------|---------------|---------------|
| Emoluments | <u>23,617</u> | <u>21,600</u> |

# Littleworld Day Nurseries Plc

## Notes to the financial statements for the year ended 31 March 2003

..... continued

### 6. Tax on profit on ordinary activities

| Analysis of charge in period                 | 2003<br>£ | 2002<br>£ |
|--|-----------|-----------|
| <b>Current tax</b>                           |           |           |
| UK corporation tax at 19.00% (2002 - 17.00%) | 8,420     | 3,486     |
| Total current tax charge                     | 8,420     | 3,486     |
| Tax on profit on ordinary activities         | 8,420     | 3,486     |

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

|   | 2003<br>£ | 2002<br>£ |
|---|-----------|-----------|
| Profit on ordinary activities before taxation   | 34,543    | 12,301    |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 March 2002 : 17%) | (6,563)   | (2,091)   |
| Expenses not deductible for tax purposes ( principally depreciation on freehold buildings )                         | 2,022     | 1,672     |
| Capital allowances for period in excess of depreciation   | (165)     | (277)     |
| Current tax charge for period   | 8,420     | 3,486     |

# Littleworld Day Nurseries Plc

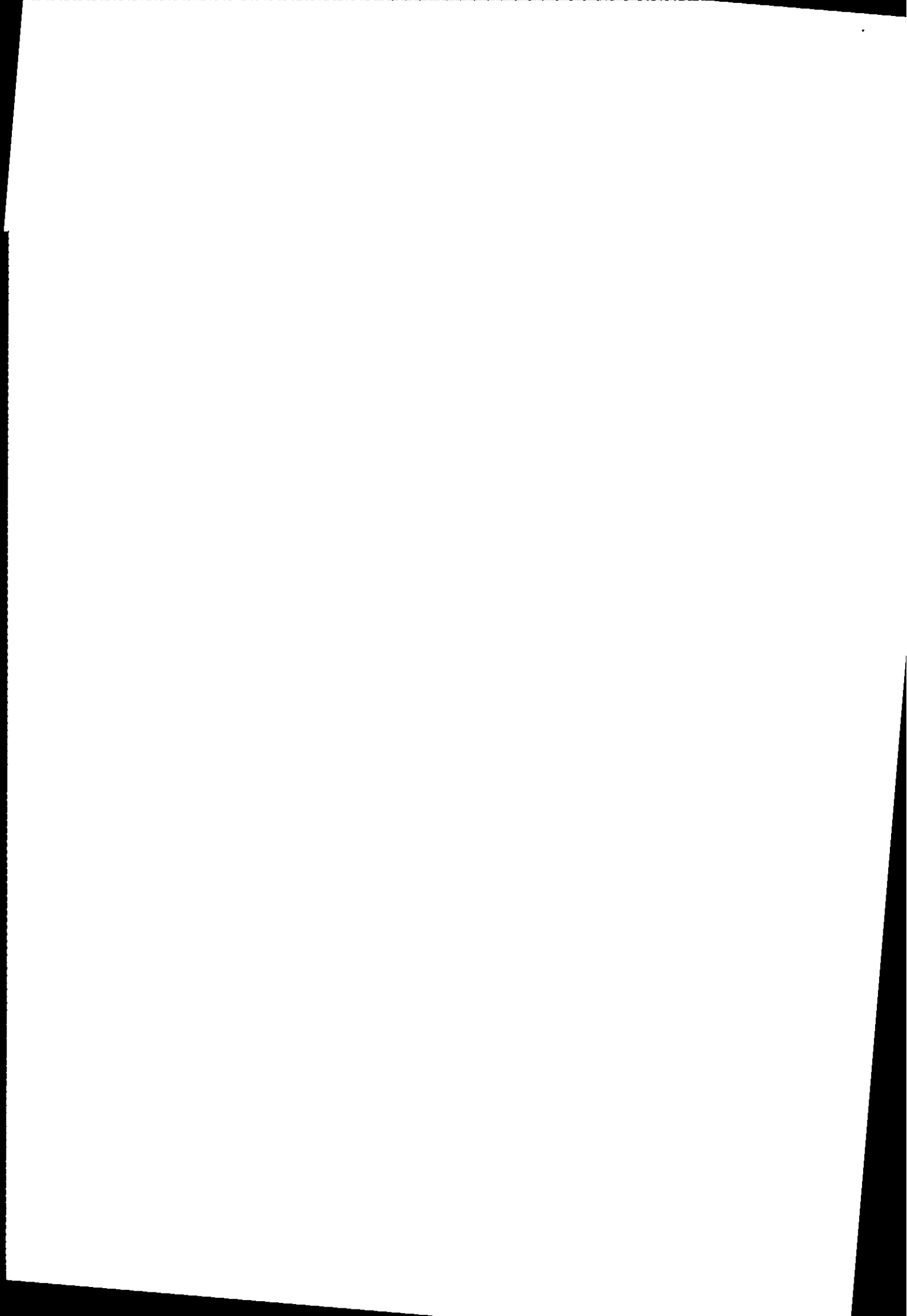
## Notes to the financial statements for the year ended 31 March 2003

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| 7. Tangible fixed assets | Freehold<br>buildings<br>£ | Freehold<br>land<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£ |
|--------------------------|----------------------------|-----------------------|-------------------------------|------------|
| <b>Cost</b>              |                            |                       |                               |            |
| At 1 April 2002          | 160,531                    | 46,175                | 9,693                         | 216,399    |
| Additions                | 12,263                     | -                     | 2,253                         | 14,516     |
| At 31 March 2003         | 172,794                    | 46,175                | 11,946                        | 230,915    |
| <b>Depreciation</b>      |                            |                       |                               |            |
| At 1 April 2002          | 33,800                     | -                     | 4,312                         | 38,112     |
| Charge for the year      | 11,791                     | -                     | 2,313                         | 14,104     |
| At 31 March 2003         | 45,591                     | -                     | 6,625                         | 52,216     |
| <b>Net book values</b>   |                            |                       |                               |            |
| At 31 March 2003         | 127,203                    | 46,175                | 5,321                         | 178,699    |
| At 31 March 2002         | 126,731                    | 46,175                | 5,381                         | 178,287    |

| 8. Debtors                     | 2003<br>£ | 2002<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | 7,866     | 5,720     |
| Prepayments and accrued income | 1,862     | 1,862     |
|                                | 9,728     | 7,582     |

| 9. Creditors: amounts falling due<br>within one year | 2003<br>£ | 2002<br>£ |
|--|-----------|-----------|
| Trade creditors                                      | 3,167     | 2,857     |
| Corporation tax                                      | 8,420     | 3,500     |
| Other taxes and social security costs                | 3,252     | 307       |
| Accruals and deferred income                         | 11,250    | 9,099     |
|  | 26,089    | 15,763    |





# Littleworld Day Nurseries Plc

## Notes to the financial statements for the year ended 31 March 2003

..... continued

|     |  |                       |                         |               |
|-----|--|-----------------------|-------------------------|---------------|
| 10. | Share capital                                      | 2003                  | 2002                    |               |
|     |  | £                     | £                       |               |
|     | Authorised equity                                  |                       |                         |               |
|     | 1,000,002 ordinary shares of £0.75 pence each      | 750,002               | 750,002                 |               |
|     | 10 ordinary shares of £0.70 pence each             | 7                     | 7                       |               |
|     |  | <u>750,009</u>        | <u>750,009</u>          |               |
|     |  |                       |                         |               |
|     | Allotted, called up and fully paid equity          |                       |                         |               |
|     | 486,712 ordinary shares of £0.75 pence each        | 365,035               | 365,034                 |               |
|     | 10 ordinary shares of £0.70 pence each             | 7                     | 7                       |               |
|     |  | <u>365,042</u>        | <u>365,041</u>          |               |
|     |  |                       |                         |               |
| 11. | Equity Reserves                                    | Share premium account | Profit and loss account | Total         |
|     |  | £                     | £                       | £             |
|     | At 1 April 2002                                    | 74,690                | (67,807)                | 6,883         |
|     | Retained profit for the year                       |                       | 26,123                  | 26,123        |
|     |  | <u>74,690</u>         | <u>(41,684)</u>         | <u>33,006</u> |
|     | At 31 March 2003                                   |                       |                         |               |
| 12. | Reconciliation of movements in shareholders' funds | 2003                  | 2002                    |               |
|     |  | £                     | £                       |               |
|     | Profit for the year                                | 26,123                | 8,815                   |               |
|     | Opening shareholders' funds                        | 371,925               | 363,109                 |               |
|     | Closing shareholders' funds                        | <u>398,048</u>        | <u>371,924</u>          |               |

# Littleworld Day Nurseries Plc

## Notes to the financial statements for the year ended 31 March 2003

..... continued

### 13. Related party transactions

The sum of £1,000 was payable to Kombinex Ltd where G L R Metz is a director. He does not hold a controlling interest in this company.

The sum of £7,500 was payable to Blipta Enterprises Ltd where T R Price is a director. He does not hold a controlling interest in this company.

The sum of £16,400 was payable to Broxbourne Holdings Ltd where G W Scott OBE is a director. Broxbourne Holdings Ltd is controlled by G W Scott OBE.

### 14. Gross cash flows

|                                     | 2003<br>£ | 2002<br>£ |
|-------------------------------------|-----------|-----------|
| <b>Taxation</b>                     |           |           |
| Corporation tax paid                | 8,420     | 5,885     |
| <b>Capital expenditure</b>          |           |           |
| Payments to acquire tangible assets | (14,516)  | (5,058)   |

### 15. Analysis of changes in net debt

|                          | Opening<br>balance<br>£ | Cash<br>flows<br>£ | Closing<br>balance<br>£ |
|--------------------------|-------------------------|--------------------|-------------------------|
| Cash at bank and in hand | 201,818                 | 33,892             | 235,710                 |
| Net debt                 | 201,818                 | 33,892             | 235,710                 |