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**Asquith Court Holdings Limited**

**Annual Report**

**for the year ended 31 August 1999**

**Registered no: 2512315**



# **Asquith Court Holdings Limited**

## **Annual report for the year ended 31 August 1999**

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# **Asquith Court Holdings Limited**

## **Directors' report for the year ended 31 August 1999**

The directors present their report and audited financial statements for the year ended 31 August 1999.

### **Principal activities**

The principal activities of the group are the operation of private schools and an international teachers' training college.

The consolidated profit and loss account for the year is set out on pages 5 and 6.

### **Review of business and future developments**

During the year the company acquired the Gatehouse group of companies from David Lloyd Leisure, a subsidiary of Whitbread Plc. The Board are pleased with the progress made in integrating the two businesses.

### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend (1998: £240,000). The retained profit of the group for the financial year of £1,246,000 (1998: £1,091,000) will be transferred to reserves.

### **Changes in fixed assets**

The movements in fixed assets during the year are set out in notes 9 and 10 to the financial statements.

### **Directors**

The directors of the company at 31 August 1999, all of whom have been directors for the whole of the year ended on that date, are listed below:

RH Grogan (Chairman)  
P Scaturro  
PD Englander  
D Soskin  
P Aughterson  
J Botts

# **Asquith Court Holdings Limited**

## **Directors' report for the year ended 31 August 1999**

### **Directors' interests**

D Soskin owns 1 Ordinary Share of 1p and is one of the beneficiaries of a trust which owns 24,999 Ordinary Shares of 1p each and, therefore, is deemed to have an interest in the company.

RH Grogan is a director of Talisman Management International Limited, a company controlled by various trusts of which he, his spouse and immediate family are interested. Talisman Management International Limited is the owner of 27,941 Ordinary Shares of 1p each.

P Aughterson owns 111,111 ordinary shares of 1p each and 1 'A' ordinary share of £1388.89.

No other director has an interest requiring notification under Section 324 to 328 of the Companies Act 1985.

No contracts existed at the end of, or during the financial year, in which any director had a material interest and which were significant in relation to the group's businesses.

There are no other transactions requiring disclosure with related parties under Financial Reporting Standard 8 - Related Parties.

### **Employees**

The group's policy is to ensure that all employees are fully trained and aware of all matters likely to affect employees' interests. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

There is no employee share scheme or profit sharing scheme at present.

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

### **Year 2000 compliance**

The group's computer equipment and related software which was not Year 2000 compliant was upgraded during the year. A new system was introduced for the new financial year. The system is both Year 2000 compliant and addresses the group's growing needs. The group has experienced no material problems since 1 January 2000 and has incurred no material costs.

# **Asquith Court Holdings Limited**

## **Directors' report for the year ended 31 August 1999**

### **Auditors**

PricewaterhouseCoopers have expressed their willingness to continue as auditors and a resolution to re-appoint them will be proposed at the annual general meeting.

### **Directors' responsibilities**

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

- select suitable accounting policies and then 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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **By order of the board**



**R Ring  
Secretary**

# **Asquith Court Holdings Limited**

## **Report of the auditors to the members of Asquith Court Holdings Limited**

We have audited the financial statements on pages 5 to 25 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

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

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with financial statements, if the company has not kept proper accounting records, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 August 1999 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

London 21 June 2000

# Asquith Court Holdings Limited

## Consolidated profit and loss account for the year ended 31 August 1999

	Notes	Year ended 31 August 1999 £000	Year ended 31 August 1998 £000
<b>Turnover (including share of joint venture)</b>	2		
Continuing operations		16,120	
Acquisitions		1,564	
Share of joint venture's turnover		1,181	
		<hr/>	
		18,865	14,193
Less share of joint venture's turnover		(1,181)	-
<b>Group turnover</b>		<hr/>	<hr/>
		17,684	14,193
Cost of sales		(10,246)	(8,185)
<b>Gross profit</b>		<hr/>	<hr/>
		7,438	6,008
Administrative expenses		(5,001)	(3,751)
<b>Operating profit</b>		<hr/>	<hr/>
Continuing operations		2,307	
Acquisitions		130	
		<hr/>	
		2,437	2,257
Share of loss in joint venture		(30)	-
<b>Group operating profit (including share of joint venture)</b>		<hr/>	<hr/>
		2,407	2,257
Interest payable and similar charges	5	(585)	(342)
<b>Profit on ordinary activities before taxation</b>	6	<hr/>	<hr/>
		1,822	1,915
Tax on profit on ordinary activities	7	(576)	(584)
<b>Profit on ordinary activities after taxation</b>		<hr/>	<hr/>
		1,246	1,331
Dividends	8	-	(240)
<b>Retained profit for the year</b>	19	<hr/>	<hr/>
		1,246	1,091
<b>Accumulated profit brought forward</b>	19	<hr/>	<hr/>
		3,964	2,873
<b>Accumulated profit carried forward</b>		<hr/>	<hr/>
		5,210	3,964

# Asquith Court Holdings Limited

## Consolidated profit and loss account (continued) for the year ended 31 August 1999

The results above, all arise from continuing operations.

### Statement of total recognised gains and losses for the year ended 31 August 1999

	1999 £000	1998 £000
Profit for the financial year	1,246	1,331
Unrealised surplus on revaluation of fixed assets	19	-
Total recognised gains for the year	<u>1,265</u>	<u>1,331</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Cost of sales and administrative expenses are divided between continuing operations and acquisitions as shown below:

	Cost of sales		Administrative expenses	
	1999 £000	1998 £000	1999 £000	1998 £000
Continuing operations	9,108	8,185	4,705	3,751
Acquisitions	1,138	-	296	-
	<u>10,246</u>	<u>8,185</u>	<u>5,001</u>	<u>3,751</u>

The notes on pages 10 to 25 form part of these financial statements.



# Asquith Court Holdings Limited

## Consolidated balance sheet at 31 August 1999

	Notes	31 August 1999 £000	31 August 1998 £000
<b>Fixed assets</b>			
Intangible assets	9	2,570	1,083
Tangible assets	10	32,560	18,182
		<u>35,130</u>	<u>19,265</u>
Investment in joint venture	11		-
Share of gross assets		474	-
Share of gross liabilities		(504)	-
		<u>(30)</u>	<u>-</u>
<b>Total fixed assets</b>		<u>35,100</u>	<u>19,265</u>
<b>Current assets</b>			
Stocks	12	11	101
Debtors	13	3,134	2,724
Cash at bank and in hand		17	91
		<u>3,162</u>	<u>2,916</u>
<b>Creditors: amounts falling due within one year</b>	14	(7,806)	(4,882)
<b>Net current liabilities</b>		<u>(4,644)</u>	<u>(1,966)</u>
<b>Total assets less current liabilities</b>		<u>30,456</u>	<u>17,299</u>
<b>Creditors: amounts falling after more than one year</b>	15	(16,800)	(4,908)
<b>Net assets</b>		<u>13,656</u>	<u>12,391</u>
<b>Capital and reserves</b>			
Called-up share capital	18	12	12
Share premium account	19	8,235	8,235
Capital redemption reserve	19	180	180
Revaluation reserve		19	-
Profit and loss account	19	5,210	3,964
<b>Equity shareholders' funds</b>	20	<u>13,656</u>	<u>12,391</u>

The financial statements on pages 5 to 25 were approved by the board of directors on 26 May 2000 and were signed on its behalf by:

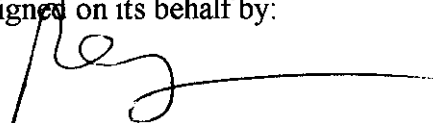
**Peter Aughterson**  
**Director**

# Asquith Court Holdings Limited

## Company balance sheet at 31 August 1999

	Notes	31 August 1999 £000	31 August 1998 £000
<b>Fixed assets</b>			
Investment in subsidiary undertakings	11	17,763	8,970
		<u>17,763</u>	<u>8,970</u>
<b>Current assets</b>			
Debtors: due after more than one year	13	11,748	185
<b>Creditors: amounts falling due within one year</b>	14	(4,567)	(623)
<b>Net current assets/(liabilities)</b>		<u>7,181</u>	<u>(438)</u>
<b>Total assets less current liabilities</b>		<b>24,944</b>	<b>8,532</b>
<b>Creditors: amounts falling due after more than one year</b>	15	(16,800)	-
<b>Net assets</b>		<u><b>8,144</b></u>	<u><b>8,532</b></u>
<b>Capital and reserves</b>			
Called-up share capital	18	12	12
Share premium account	19	8,235	8,235
Capital redemption reserve	19	180	180
Profit and loss account	19	(283)	105
<b>Equity shareholders' funds</b>		<u><b>8,144</b></u>	<u><b>8,532</b></u>

The financial statements on pages 5 to 25 were approved by the board of directors on 26<sup>th</sup> May 2000 and were signed on its behalf by:



**Peter Aughterson**  
**Director**

# Asquith Court Holdings Limited

## Consolidated cash flow statement for the year ended 31 August 1999

	Notes	31 August 1999 £000	31 August 1998 £000
<b>Net cash inflow from operating activities</b>	21	<u>2,979</u>	<u>2,085</u>
<b>Returns on investment and servicing of finance</b>			
Interest paid		(585)	(340)
Interest paid on finance leases		-	(2)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(585)</u>	<u>(342)</u>
<b>Taxation</b>			
UK corporation tax paid		<u>(746)</u>	<u>(416)</u>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(3,976)	(2,383)
Sale of tangible fixed assets		44	-
		<u>(3,932)</u>	<u>(2,383)</u>
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	26	(8,793)	-
Net overdraft acquired with subsidiary undertaking	26	(73)	-
Repayment of loan on acquisition		(3,298)	-
<b>Net cash outflow from acquisitions and disposals</b>		<u>(12,164)</u>	<u>-</u>
<b>Dividends paid</b>		<u>(240)</u>	<u>-</u>
<b>Cash outflow before financing</b>		(14,688)	(1,056)
<b>Financing</b>			
Long term borrowings		18,000	-
Bank loan finance costs		(135)	-
Repayment of loans		(3,000)	-
<b>Net cash inflow from financing</b>		<u>14,865</u>	<u>-</u>
<b>Increase/(decrease) in cash</b>	22	<u>177</u>	<u>(1,056)</u>

# **Asquith Court Holdings Limited**

## **Notes to the financial statements for the year ended 31 August 1999**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

#### **Basis of consolidation**

The consolidated financial statements include the company and its subsidiary and joint venture undertakings. The results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. The joint venture is accounted for under the gross equity method of accounting.

#### **Intangible fixed assets**

Goodwill arising on consolidation represents the excess of the fair value of the consideration given, including incidental costs of acquisition, over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries is eliminated by amortisation through the profit and loss account over a period of twenty years.

Other intangible assets are amortised so as to write off the cost, or valuation, over the following periods:

Intellectual property rights	fully written down
Agency development costs	fully written down
Publishing rights	5% straight line basis

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving items.

# **Asquith Court Holdings Limited**

## **Notes to the financial statements (continued) for the year ended 31 August 1999**

### **Tangible fixed assets**

The cost of land and buildings is their purchase cost, plus any incidental costs of acquisition. Purchases and disposals are included in the financial statements once exchange of contract has taken place and completion is expected.

Freehold interests in land and buildings are stated either at cost or a valuation plus any additions, since the date of valuation, at cost. Full valuations of freehold land and buildings are made by independent professionally qualified valuers or the directors periodically, at least once every five years. It is the company's policy to hold these schools over the medium to long term, and between valuations no adjustment is made in respect of any possible reduction in value which is considered to be temporary, resulting from general economic conditions, and having no bearing on their economic value to the company.

The cost of other fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Leasehold properties	over the life of the lease
Motor vehicles	25% on cost
Fixtures and fittings	10% to 33% on cost

The cost of freehold land and buildings is not depreciated. The group's policy is to maintain the properties in good condition such that their useful lives are so long and the residual values, based on prices prevailing at the time of acquisition or subsequent revaluation, are so high that any depreciation would not be material. The cost of such maintenance is systematically charged to the profit and loss account. Any permanent diminution in value of such properties is charged to the profit and loss account as appropriate.

### **Pension scheme arrangements**

The group participates in a number of pension schemes.

The group pays contributions to the personal pension funds of certain individual employees, and to the Teachers Superannuation Scheme. These are charged to the profit and loss account in the year in which they are incurred.

The group provides no other post retirement benefits to its employees.

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise. Where this is not known the latest estimate of the long term tax rate applicable has been adopted.

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

### Leased assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease on a straight line basis over the lease term. Costs in respect of operating leases are charged on a straight line basis over the lease term.

### 2 Turnover

Turnover represents fees receivable for services provided and net invoiced amounts of goods sold in the United Kingdom.

### 3 Directors' emoluments

	1999 £000	1998 £000
Aggregate emoluments (excluding pensions)	125,000	134,827
Pension contributions to money purchase schemes	51,800	51,800
	<u>176,800</u>	<u>186,627</u>

Retirement benefits accrued to one director under a money purchase scheme and all emoluments were paid by the subsidiary companies.

Fees and other emoluments include amounts paid to :	1999 £000	1998 £000
The highest paid director		
- aggregate emoluments	125,000	134,827
- personal money purchase pension contributions	51,800	51,800
	<u>176,800</u>	<u>186,627</u>

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 4 Employee information

The average weekly number of persons (including executive directors) employed by the group during the year was:

	1999	1998
	Number	Number
Teaching	1,027	550
Marketing & Administration	135	175
	<u>1,162</u>	<u>725</u>

	1999	1998
	£000	£000
Staff costs (for the above persons)		
Wages and salaries	9,435	7,107
Social security costs	700	559
Other pension costs	111	63
	<u>10,246</u>	<u>7,729</u>

### 5 Interest payable and similar charges

	1999	1998
	£000	£000
Loan interest payable	427	250
Bank overdraft interest	158	90
Hire purchase interest	-	2
	<u>585</u>	<u>342</u>

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 6 Profit on ordinary activities before taxation

	1999 £000	1998 £000
Profit on ordinary activities before taxation is stated after charging:		
Goodwill amortisation	82	63
Depreciation charge - intangible fixed assets	3	4
- tangible owned assets	372	314
- bank loan finance costs	3	-
Auditors' remuneration - group	40	18
Hire of other assets - operating leases	20	27
- land and buildings	412	231
and crediting:		
Profit on disposal of fixed assets	19	-

Remuneration of the group's auditors for provision of non-audit services was £8,107 (1998: £1,350). The audit fee for the parent company is borne by its subsidiary undertaking.

### 7 Tax on profit on ordinary activities

	1999 £000	1998 £000
Tax on profit on ordinary activities		
United Kingdom corporation tax at 31% (1998:32%)	576	584

### 8 Dividends

	1999 £000	1998 £000
Dividends proposed per 'A' ordinary share	-	240



# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 9 Intangible fixed assets

	Intellectual Property Rights £000	Agency Development Costs £000	Publishing Rights £000	Goodwill £000	Total £000
<b>Group</b>					
<b>Cost</b>					
At 1 September 1998	13	29	56	1,272	1,370
Additions	-	-	-	1,572	1,572
<b>At 31 August 1999</b>	<b>13</b>	<b>29</b>	<b>56</b>	<b>2,844</b>	<b>2,942</b>
<b>Depreciation</b>					
At 1 September 1998	13	29	8	237	287
Charge for year	-	-	3	82	85
<b>At 31 August 1999</b>	<b>13</b>	<b>29</b>	<b>11</b>	<b>319</b>	<b>372</b>
<b>Net book value</b>					
<b>At 31 August 1999</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>2,525</b>	<b>2,570</b>
At 31 August 1998	-	-	48	1,035	1,083

Goodwill arose on the purchase of the entire share capital of Asquith Court Schools Limited by the company in November 1991, the purchase of London Montessori Centre Ltd, Montessori International Publishing Ltd, London Montessori Centre Equipment Company Limited and Montessori Teachers Agency Limited in June 1996 and on the purchase of Gatehouse Nursery Services Limited, GNS Property Services Ltd and Gatehouse Nursery Services (Surrey) Limited in June 1999.

The company has no intangible fixed assets.

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 10 Tangible fixed assets

	Freehold land and buildings	Short leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
Group	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 1998	16,721	1,246	1,754	32	19,753
Additions	11,904	1,468	1,311	73	14,756
Disposals	-	-	(234)	-	(234)
<b>At 31 August 1999</b>	<b>28,625</b>	<b>2,714</b>	<b>2,831</b>	<b>105</b>	<b>34,275</b>
<b>Depreciation</b>					
At 1 September 1998	56	275	1,227	13	1,571
Charge for year	-	77	281	14	372
Disposals	-	-	(228)	-	(228)
<b>At 31 August 1999</b>	<b>56</b>	<b>352</b>	<b>1,280</b>	<b>27</b>	<b>1,715</b>
<b>Net book value</b>					
<b>At 31 August 1999</b>	<b>28,569</b>	<b>2,362</b>	<b>1,551</b>	<b>78</b>	<b>32,560</b>
At 31 August 1998	16,665	971	527	19	18,182

Freehold land and buildings were valued in February 1996 by the directors on an open market valuation for existing use basis. The directors were satisfied that there were no material changes to the cost figures recorded in the group accounts, and subsequent additions are at cost.

#### Company

The company does not own any tangible fixed assets (1998: nil).

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 11 Fixed assets investments

	1999 £000
<b>Group interest in joint venture:</b>	
1 September 1998	-
Additions in year:	
Montessori Centre International Limited	
Share of joint venture's loss in the year	(30)
Share of net liabilities at 31 August 1999	(30)
	<hr/>
	<hr/>
	<b>Interests in group undertakings £ 000</b>
<b>Company</b>	
<b>Cost and net book value</b>	
At 1 September 1998	8,970
Additions, at cost	8,793
At 31 August 1999	17,763
	<hr/>
	<hr/>

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 11 Fixed assets investments (continued)

The following information relates to the group undertakings:

Group undertaking	Country of incorporation	Proportion of voting rights and share capital held	Nature of business
Asquith Court Schools Limited	UK	100%	Operation of private schools
London Montessori Centre Limited	UK	100%	Holding company
Gatehouse Nursery Services Limited	UK	100%	Operation of private schools
GNS Property Services Limited	UK	100%	Property management company
Gatehouse Nursery Services (Surrey) Limited	UK	100%	Non trading

All the above investments were held by the company.

### 12 Stocks

Group	1999 £000	1998 £000
Finished goods and goods for resale	11	92
Work in progress	-	9
	<u>11</u>	<u>101</u>

The majority of stocks of finished goods and work in progress at 1 September 1998 were transferred to Montessori Centre International Limited at that date.

The company has no stocks.

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 13 Debtors

	Group 1999 £000	Company 1999 £000	Group 1998 £000	Company 1998 £000
<b>Amounts falling due after more than one year</b>				
Amount due from subsidiary undertaking	-	11,748	-	185
ACT recoverable	-	-	60	-
<b>Amounts falling due within one year</b>				
Trade Debtors	2,537	-	2,374	-
Other Debtors	290	-	64	-
Prepayments and accrued income	307	-	226	-
	<u>3,134</u>	<u>11,748</u>	<u>2,724</u>	<u>185</u>

### 14 Creditors: amounts falling due within one year

	Group 1999 £000	Company 1999 £000	Group 1998 £000	Company 1998 £000
Amounts due to subsidiary undertakings	-	-	-	623
Bank overdraft	1,957	3,212	-	-
Bank loan	1,068	1,068	300	-
Trade creditors	482	-	462	-
Corporation tax	456	-	584	-
ACT payable	-	-	60	-
Other taxation and social security	88	-	200	-
Other creditors	133	-	57	-
Hire purchase	-	-	2	-
Accruals and deferred income	3,406	287	2,775	-
Dividends payable	-	-	240	-
Deposits	216	-	202	-
	<u>7,806</u>	<u>4,567</u>	<u>4,882</u>	<u>623</u>

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 14 Creditors: amounts falling due within one year (continued)

The group has an overdraft facility of £3 million, which is due for review on 31 May 2000. The overdraft is secured by fixed and floating charges over certain assets of the group.

	Group 1999 £000	Company 1999 £000	Group 1998 £000	Company 1998 £000
Bank loan	1,200	1,200	300	-
Bank loan finance costs	(135)	(135)	-	-
Amortisation in year	3	3	-	-
	<u>1,068</u>	<u>1,068</u>	<u>300</u>	<u>-</u>

### 15 Creditors: amounts falling due after more than one year

	Group 1999 £000	Company 1999 £000	Group 1998 £000	Company 1998 £000
Bank overdraft	-	-	2,208	-
Bank loan	16,800	16,800	2,700	-
	<u>16,800</u>	<u>16,800</u>	<u>4,908</u>	<u>-</u>

The bank loan is repayable as follows:

	£000
Within one year	1,200
More than one year but not more than two years	1,400
More than two years but not more than five years	5,000
More than five years	<u>10,400</u>
	<u>18,000</u>

The bank loan is secured by a fixed charge over certain of the properties of the group.

### 16 Deferred taxation

No provision has been made in the group financial statements for deferred tax on a revaluation surplus arising in respect of properties in a subsidiary undertaking as it is not that company's intention to dispose of the properties in the foreseeable future. The amount unprovided is approximately £478,000 (1998: £478,000). The company has no deferred taxation (1998: £nil).

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 17 Pension and similar obligations

The group participates in a number of pension schemes, including the payment of contributions to personal pension funds of certain individual employees, and to the Teachers Superannuation Scheme. These schemes are of a defined contribution type. The total pension cost for the group was £108,304 (1998: £61,481). An amount of £nil (1998: £7,531) was owed to the Teachers Superannuation Scheme at the year end.

### 18 Called up share capital

	1999 £000	1998 £000
<b>Authorised</b>		
20,362,611 Ordinary shares of 1p each	204	204
1 'A' ordinary share of £1,388.89	1	1
	<u>205</u>	<u>205</u>
	1999 £000	1998 £000
<b>Issued, allotted and fully paid</b>		
1,111,111 Ordinary shares of 1p each	11	11
1 'A' ordinary share of £1,388.89	1	1
	<u>12</u>	<u>12</u>

The 'A' ordinary share holds no rights as to votes but may convert into ordinary shares of the company in certain circumstances.

### 19 Reserves

	Company & Group Capital Redemption reserve £000	Company & Group Share Premium account £000	Group Revaluation Reserve £000	Group Profit and loss account £000	Company Profit and loss account £000
At 1 September 1998	180	8,235	-	3,964	105
Transfer to revaluation reserve	-	-	19	-	-
Retained profit/(loss) for the year	-	-	-	1,246	(388)
<b>At 31 August 1999</b>	<u>180</u>	<u>8,235</u>	<u>19</u>	<u>5,210</u>	<u>(283)</u>

As permitted by section 230 of the Companies Act 1985, the company's profit and loss account has not been included in these financial statements. The company's loss for the financial year was £493,000 (1998: £nil).

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 20 Reconciliation of movements in shareholders' funds

Group	1999 £000	1998 £000
Profit for the year	1,246	1,091
Increase in revaluation reserve	19	-
Opening shareholder's funds	12,391	11,300
Closing shareholders' funds	<u>13,656</u>	<u>12,391</u>

### 21 Reconciliation of operating profit to net cash inflow from operating activities

	1999 £000	1998 £000
Operating profit	2,436	2,257
Amortisation of intangible fixed assets	85	67
Depreciation of tangible fixed assets	372	314
Amortisation of bank loan finance costs	3	-
Decrease/(increase) in stocks	90	(38)
Increase in debtors	(77)	(599)
Increase in creditors	89	84
Profit on disposal of tangible fixed assets	(19)	-
Net cash inflow from operating activities	<u>2,979</u>	<u>2,085</u>

### 22 Reconciliation of net cash flow to movement in net debt

	1999 £000	1998 £000
(Increase)/decrease in cash in period	(177)	1,056
Cash inflow from debt finance	15,000	-
Net debt at 1 September 1998	5,117	4,061
Net debt at 31 August 1999	<u>19,940</u>	<u>5,117</u>



# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 23 Analysis of net debt

	At 1 September 1998 £000	Cashflow	At 31 August 1999 £000
Cash at bank and in hand	91	(74)	17
Overdraft	(2,208)	251	(1,957)
	<u>(2,117)</u>	<u>177</u>	<u>(1,940)</u>
Loan - due within 1 year	(300)	(900)	(1,200)
Loan - due after 1 year	(2,700)	(14,100)	(16,800)
Total	<u>(5,117)</u>	<u>(14,823)</u>	<u>(19,940)</u>

### 24 Capital commitments and contingent liabilities

There were no contingent liabilities or capital commitments.

### 25 Financial commitments

At 31 August 1999, the group had annual commitments under non-cancellable operating leases as follows:

	1999		1998	
	Land & Buildings £000	Other £000	Land & Buildings £000	Other £000
Expiring within one year	4	13	-	16
Expiring between two and five years	21	15	14	4
Expiring in over five years	527	-	261	-
	<u>552</u>	<u>28</u>	<u>275</u>	<u>20</u>

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 26 Acquisitions

The Group acquired 100% of the share capital of Gatehouse Nursery Services Limited (GNSL), Gatehouse Nursery Services (Surrey) Limited (GNSSL) and GNS Property Services Limited (GNSPSL) on 7 June 1999.

From the date of acquisition to 31 August 1999, GNSL contributed £1,564,000 to turnover, £130,000 to profit before and after interest and paid £nil in respect of taxation.

In its last financial year to 28 February 1999, GNSL made a loss after tax of £225,000 and GNPSL made a profit after tax of £53,000. For the period since that date to the date of acquisition, the management accounts for GNSL, GNSSL and GNPSL show:

	£000
Turnover	2431
Operating profit	226
Profit before taxation	168
Taxation	-
<b>Profit attributable to shareholders</b>	<b>168</b>
<b>Total recognised gains for the period</b>	<b>168</b>

The assets and liabilities acquired were as follows:

	Fair value £000
Tangible fixed assets	10,780
Debtors	290
Creditors	(3,776)
Cash	20
Overdraft	(93)
<b>Net assets acquired</b>	<b>7,221</b>
Goodwill	1,572
<b>Consideration</b>	<b>8,793</b>
Consideration satisfied by:	
<b>Cash</b>	<b>8,793</b>

# Asquith Court Holdings Limited

## Notes to the financial statements (continued) for the year ended 31 August 1999

### 26 Acquisitions (continued)

A fair value adjustment of £148,439 was made to reflect an impairment in the value of one of the properties acquired. Apart from that adjustment the directors have considered the value of the assets acquired and have concluded that in all material respects the book value is the fair value of these assets and consequently no other fair value adjustments have been made.

The book value of the assets and liabilities were taken from the management accounts of GNSL, GNSSL and GNPSL at 31 May 1999 (date of acquisition 7 June 1999).

### 27 Related party transactions

Related party:	Sale of fixed assets £000	Sale of stock £000	Amounts owed by related party £000
Montessori Centre International Limited	45	89	70

The group through the subsidiary company, London Montessori Centre Limited, holds a 50% shareholding in Montessori Centre International Limited, a joint venture company (see note 11). The fixed assets and stock were transferred from London Montessori Centre Limited to Montessori Centre International Limited at the commencement of the joint venture on 1 September 1998.

The fixed assets were transferred based on a valuation carried out by qualified valuers, David Swale Associates, and by the directors. The stock was transferred at its book value at 31 August 1998.