

Cay Hse

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001
FOR
ACTIVITY WORLD LIMITED**



ACTIVITY WORLD LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6
Report of the Accountants	11
Trading and Profit and Loss Account	12

ACTIVITY WORLD LIMITED

COMPANY INFORMATION
for the Year Ended 30 September 2001

DIRECTORS: Mr M A Boyle
Mr M Williams

SECRETARY: Mrs B Ellis

REGISTERED OFFICE: Padholme Road East
Peterborough
Cambridgeshire
PE1 5XH

REGISTERED NUMBER: 2512682 (England and Wales)

ACCOUNTANTS: Foxley Kingham Chartered Accountants
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

ACTIVITY WORLD LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 September 2001

The directors present their report with the financial statements of the company for the year ended 30 September 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the installation and operation of activity centres for children.

DIRECTORS

The directors during the year under review were:

Mr M A Boyle
Mr M Williams

The beneficial interests of the directors holding office on 30 September 2001 in the issued share capital of the company were as follows:

	30.9.01	1.10.00
ordinary £1 shares		
Mr M A Boyle	249	249
Mr M Williams	566	714

COMPANY BUY BACK OF OWN SHARES

In accordance with agreement dated 29 September 2000 the company, during the year purchased 148 Ordinary £1 shares for a total consideration of £70,000. The shares represented 15.4% of the called up share capital. These shares were subsequently cancelled by the company.

DATE RECOGNITION AND THE EURO

As discussed at length in the media, many computers and microchips may encounter date-recognition problems, including those yet to emerge from the changeover to the year 2000. Our business depends on a computerised accounting systems to prepare accounts and record the transactions. In addition, we could be affected by systems failures of our suppliers and customers. As a result, we could be a risk if other parties do not deal with such data-recognition problems.

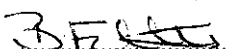
The directors have assessed the risks to our business resulting from date-recognition issues. We do not envisage any such problems and hence foresee no costs being incurred as a result. We have also addressed the possibility of date-recognition related failures in our significant suppliers, all of whom inform us that they have adequately addressed these problems.

It is impossible to guarantee that no date-recognition problems will remain. However, the directors believe that the company will be able to deal promptly with any failures that might occur.

The directors believe that the company has also taken reasonable steps to prepare for the introduction of the euro and that the company will be able to deal with any problems that may occur.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Mrs B Ellis - SECRETARY

Dated:

12/12/01

ACTIVITY WORLD LIMITED
PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2001

		2001	2000
	Notes	£	£
TURNOVER		900,031	921,464
Cost of sales		<u>227,862</u>	<u>250,559</u>
GROSS PROFIT		672,169	670,905
Administrative expenses		<u>553,232</u>	<u>569,413</u>
		118,937	101,492
Other operating income		<u>75,950</u>	<u>76,917</u>
OPERATING PROFIT	2	194,887	178,409
Interest receivable and similar income		<u>7,743</u>	<u>3,413</u>
		202,630	181,822
Interest payable and similar charges		<u>37,801</u>	<u>45,215</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		164,829	136,607
Tax on profit on ordinary activities	3	<u>12,614</u>	<u>27,333</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		152,215	109,274
Retained profit brought forward		<u>370,167</u>	<u>278,393</u>
		522,382	387,667
Purchase of own shares		<u>(70,000)</u>	<u>(17,500)</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£452,382</u></u>	<u><u>£370,167</u></u>

The notes form part of these financial statements

ACTIVITY WORLD LIMITED

BALANCE SHEET 30 September 2001

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		786,158		784,510
CURRENT ASSETS:					
Stocks		19,300		18,500	
Debtors	5	114,758		113,588	
Cash at bank and in hand		152,760		71,261	
		286,818		203,349	
CREDITORS: Amounts falling due within one year	6	236,207		154,369	
NET CURRENT ASSETS:			50,611		48,980
TOTAL ASSETS LESS CURRENT LIABILITIES:			836,769		833,490
CREDITORS: Amounts falling due after more than one year	7		(383,387)		(445,250)
PROVISIONS FOR LIABILITIES AND CHARGES:	10		-		(17,073)
			<u>£453,382</u>		<u>£371,167</u>
CAPITAL AND RESERVES:					
Called up share capital	11		815		963
Capital redemption reserve	12		185		37
Profit and loss account			452,382		370,167
SHAREHOLDERS' FUNDS:			<u>£453,382</u>		<u>£371,167</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2001.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2001 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

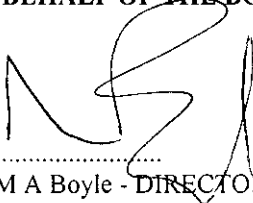
ACTIVITY WORLD LIMITED

BALANCE SHEET

30 September 2001

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



.....
Mr M A Boyle - DIRECTOR

Approved by the Board on 12/12/01

The notes form part of these financial statements

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Leasehold property	- Over the term of the lease
Play apparatus	- 10% on cost
Equipment	- 10% on cost
Motor vehicles	- 25% on cost

In the directors opinion, the residual value of the freehold property is at least equal to cost because of the company's policy to fully maintain and improve the property. As a result, depreciation charged on the property in these accounts is £nil (2000: £nil).

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	31,005	56,977
Loss on disposal of fixed assets	1,441	-
Auditors' remuneration	-	3,000
Pension costs	5,817	7,024
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	55,708	60,329
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2001 £	2000 £
UK corporation tax	29,687	27,861
Deferred taxation	(17,073)	(528)
	<u>12,614</u>	<u>27,333</u>

UK corporation tax has been charged at 20% (2000 - 20%).

4. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Play apparatus £
COST:			
At 1 October 2000	528,769	53,281	431,112
Additions	-	5,000	21,470
At 30 September 2001	<u>528,769</u>	<u>58,281</u>	<u>452,582</u>
DEPRECIATION:			
At 1 October 2000	-	16,530	256,972
Charge for year	-	5,828	19,561
At 30 September 2001	<u>-</u>	<u>22,358</u>	<u>276,533</u>
NET BOOK VALUE:			
At 30 September 2001	<u>528,769</u>	<u>35,923</u>	<u>176,049</u>
At 30 September 2000	<u>528,769</u>	<u>36,751</u>	<u>174,140</u>

	Equipment £	Motor vehicles £	Totals £
COST:			
At 1 October 2000	93,936	17,664	1,124,762
Additions	7,181	2,443	36,094
Disposals	-	(14,500)	(14,500)
At 30 September 2001	<u>101,117</u>	<u>5,607</u>	<u>1,146,356</u>
DEPRECIATION:			
At 1 October 2000	53,502	13,248	340,252
Charge for year	4,761	855	31,005
Eliminated on disposals	-	(11,059)	(11,059)
At 30 September 2001	<u>58,263</u>	<u>3,044</u>	<u>360,198</u>
NET BOOK VALUE:			
At 30 September 2001	<u>42,854</u>	<u>2,563</u>	<u>786,158</u>
At 30 September 2000	<u>40,434</u>	<u>4,416</u>	<u>784,510</u>

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

5. DEBTORS

	2001 £	2000 £
Amounts falling due within one year:		
Trade debtors	26,497	14,121
Prepayments	31,319	25,858
	<u>57,816</u>	<u>39,979</u>
Amounts falling due after more than one year:		
Prepaid rent	<u>56,942</u>	<u>73,609</u>
Aggregate amounts	<u>114,758</u>	<u>113,588</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank loans and overdrafts	74,949	43,000
Trade creditors	16,270	7,122
Other creditors	76,347	42,981
Directors' current accounts	1,335	1,335
Social security & other taxes	21,417	22,660
Taxation	29,687	27,861
Accrued expenses	16,202	9,410
	<u>236,207</u>	<u>154,369</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Bank loans	325,137	387,000
Debentures	58,250	58,250
	<u>383,387</u>	<u>445,250</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>148,478</u>	<u>172,000</u>

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2001 £	2000 £
Expiring:		
Within one year	8,550	16,000
Between one and five years	20,000	5,120
In more than five years	-	4,000
	<u>28,550</u>	<u>25,120</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2001 £	2000 £
Bank overdrafts	38,159	-
Bank loans	361,927	430,000
	<u>400,086</u>	<u>430,000</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2001 £	2000 £
Deferred taxation	-	17,073
	<u>-</u>	<u>17,073</u>
		Deferred taxation
		£
Balance at 1 October 2000		17,073
Reduction in provision		(17,073)
		<u>-</u>
Balance at 30 September 2001		<u>-</u>

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	2001 £	2000 £	2001 £	2000 £
Capital Allowances	-	17,073	-	-
	<u>-</u>	<u>17,073</u>	<u>-</u>	<u>-</u>

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

11. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value: £1	2001 £ <u>2,000</u>	2000 £ <u>2,000</u>
2,000	ordinary			
Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2001 £ <u>815</u>	2000 £ <u>963</u>
1,000	ordinary			

12. CAPITAL REDEMPTION RESERVE

	2001 £ <u>148</u>	2000 £ <u>37</u>
Brought forward	37	-
Purchase of own shares	148	37
	<u>185</u>	<u>37</u>

13. CAPITAL COMMITMENTS

On the 29 September 2000 the company entered into a contract with Mr M Williams to purchase 738 Ordinary £1 shares for a total consideration of £350,000. The transaction shall be completed over a five year period commencing immediately on exchange of contract and finishing on the 24 June 2005. The company's quarterly commitment is £17,500.

14. RELATED PARTY DISCLOSURES

The company is controlled by Mr M Boyle.

At the year end the amounts due to the directors by the company and due within one year were:

Mr M Boyle	£658
Mr M Williams	£677

Mr M Boyle has pledged personal assets to the bankers as security for the bank loan.

Mr M Boyle is also a director of Premier Interior Projects Limited. During the year the company sold goods to the value of £2,044 to Premier Interior Projects Limited.

ACTIVITY WORLD LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
ACTIVITY WORLD LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 September 2001 set out on pages three to ten and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Foxley Kingham Chartered Accountants
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Dated:

13/12/01