

**Riverside ChildCare Limited**

**Directors' report and financial statements**

**10 month period ended 31 October 1997**

Registered number 3210281



# Riverside Childcare Limited

## Directors' report and financial statements

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# Riverside Childcare Limited

## Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 October 1997.

### Principal activities

The principal activity of the company is the operation of tennis and leisure club facilities.

### Business review

The directors are satisfied with the results to date.

### Proposed dividend and transfer to reserves

The loss after taxation attributable to the shareholder is £1,000 (1996: £31,000) and has been transferred to reserves. The directors do not recommend a payment of a dividend (1996: £nil).

### Directors and directors' interests

The directors who held office during the period were as follows:

PR Ashworth (resigned 30 May 1997, reappointed 1 November 1997)

MC Johnson (resigned 30 May 1997)

G Shillinglaw (appointed 30 May 1997)

M Foster (appointed 30 May 1997)

The interest of Mr MR Foster and Mr GP Shillinglaw in the ordinary share capital of the company's ultimate parent undertaking, First Leisure Corporation PLC, is as follows:

	At appointment and end of year	
	Shares	Options
MR Foster	4,712	101,581
GP Shillinglaw	2,360	57,119
	<hr/>	<hr/>

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

# Riverside Childcare Limited

## Directors' report

### Auditors

During the period KPMG Audit Plc were appointed as auditors of the company.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**P Dregent**  
*Secretary*

7 Soho Street  
LONDON  
W1V 5FA

21 January 1998

# Riverside Childcare Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- 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 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Navigation Way  
Ashton-on-Ribble  
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Lancashire PR2 2YF

## Report of the auditors to the members of Riverside ChildCare Limited

We have audited the financial statements on pages 5 to 10.

### *Respective responsibilities of directors and auditor*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of 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 the company's affairs as at 31 October 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

21 January 1998

# Riverside Childcare Limited

## Profit and loss account

*for the 10 month period ended 31 October 1997*

	<i>Note</i>	<b>10 month period ended 31 October 1997 £000</b>	<b>5 month period ended 31 December 1996 £000</b>
<b>Turnover - continuing operations</b>		<b>288</b>	<b>74</b>
Cost of sales		(221)	(72)
<b>Gross profit</b>		<b>67</b>	<b>2</b>
Administrative expenses		(66)	(32)
<b>Operating profit/(loss) - continuing operations</b>	<b>2</b>	<b>1</b>	<b>(30)</b>
Interest payable	<b>5</b>	(2)	(1)
<b>Retained (loss) for the financial period</b>	<b>10</b>	<b>(1)</b>	<b>(31)</b>

The profit and loss account includes the only gains or losses of the company for the current and prior period.

There was no material difference between the reported profits and the historical cost profits of the company.


# Riverside Childcare Limited

## Balance sheet at 31 October 1997

	Note	31 October 1997		31 December 1996	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	5		9		19
<b>Current assets</b>					
Debtors	6	33		29	
Cash at bank and in hand		27		1	
		<u>60</u>		<u>30</u>	
Creditors: amounts falling due within one year	7	(101)		(80)	
<b>Net current liabilities</b>			(41)		(50)
<b>Net liabilities</b>			<u>(32)</u>		<u>(31)</u>
<b>Capital and reserves</b>					
Called up share capital	8	-		-	
Profit and loss account	9	(32)		(31)	
<b>Equity shareholders' funds</b>	10	<u>(32)</u>		<u>(31)</u>	

These financial statements were approved by the board of directors on 21 January 1998 and were signed on its behalf by:

Director





# Riverside Childcare Limited

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and within the requirements of the Companies Act 1985, except for the adjusted revaluation of certain land and buildings as explained below.

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of First Leisure Corporation Plc, and its cash flows are included within the consolidated cash flow statement of that company.

#### *Related party transactions*

The directors have taken advantage of the exemption in FRS 8, paragraph 3(c) and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

#### *Operating results*

The operating results include transactions at operating units up to and including the Sunday nearest to 31 October of each year. All other transactions are included up to 31 October.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. All turnover arises in the United Kingdom.

#### *Tangible fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of each asset by equal instalments evenly over their estimated useful economic life as follows:

Fixtures, fittings and equipment	3 - 4 years
----------------------------------	-------------

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

### 2 Operating profit

	10 month period ended 31 October 1997 £000	5 month period ended 31 December 1996 £000
<i>Operating profit is stated after charging</i>		
Depreciation on owned assets	12	1
The auditors' remuneration is paid by the parent company.		

# Riverside Childcare Limited

## Notes (continued)

### 3 Remuneration of directors

No emoluments were paid to the directors during the year (1996: £nil).

### 4 Staff numbers and costs

Riverside Childcare Limited has no direct employees, as it contains only its share (50%) of an unincorporated joint venture, Riverside Teddies. In the period ended 31 October 1997 Riverside Teddies employed, on average, 58 people (1996: ) of which 25 were part time. the total payroll costs of these employees were £342,000 (1996: £189,000).

### 5 Interest payable

	10 month period ended 31 October 1997 £000	5 month period ended 31 December 1996 £000
Interest payable	2	1

### 6 Tangible fixed assets

	Fixtures, fittings and equipment £000
<b>Cost</b>	
At 1 January 1997	20
Additions	2
At 31 October 1997	22
<b>Depreciation</b>	
At 1 January 1997	1
Charge for the period	12
At 31 October 1997	13
<b>Net book value</b>	
At 31 October 1997	9
At 1 January 1997	19

The company held no tangible fixed assets under finance leases or hire purchase contracts and had no capital commitments at the end of the current or prior period.

# Riverside Childcare Limited

## Notes (continued)

### 7 Debtors

	31 October 1997 £000	31 December 1996 £000
Trade debtors	20	29
Amounts due from parent and fellow subsidiary undertakings	4	1
Other debtors	3	-
Prepayments	6	-
	<u>33</u>	<u>30</u>

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

	31 October 1997 £000	31 December 1996 £000
Trade creditors	4	-
Amounts due to parent and fellow subsidiary undertakings	39	28
Other creditors	25	52
Accruals and deferred income	33	-
	<u>101</u>	<u>80</u>

### 9 Called up share capital

	31 October 1997 £000	31 December 1996 £000
<i>Authorised</i>		
Ordinary shares of £1 each	-	-
	<u>          </u>	<u>          </u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	-	-
	<u>          </u>	<u>          </u>

### 10 Reserves

	Profit and loss account £000
At 1 January 1997	(31)
Retained loss for the financial period	(1)
	<u>          </u>
At 31 October 1997	(32)

# Riverside Childcare Limited

## Notes *(continued)*

### 11 Reconciliation of movement in shareholders funds

	31 October 1997 £000	31 December 1996 £000
Loss for the financial period	(1)	(31)
Opening shareholders funds	(31)	-
Closing shareholders funds	<u>(32)</u>	<u>(31)</u>

### 12 Ultimate parent company

The ultimate parent undertaking is First Leisure Corporation PLC which is registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by First Leisure Corporation PLC. The consolidated accounts of this group is available to the public and may be obtained from:

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