

Riverside Childcare Limited

Directors' report and financial statements

31 December 2003

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 year ended 31 December 2003.

Principal activities

The principal activity of the company during the year was the provision of crèche facilities.

Business review

The directors are satisfied with the results for the year.

Proposed dividend and transfer to reserves

The profit after taxation attributable to the shareholder is £92,000 (2002: £192,000) and has been transferred to reserves.

The directors do not recommend the payment of a dividend (2002: £nil).

Directors and directors' interests

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

Miss V Penrice (resigned 28 February 2003)

Mr M Ball

Mr S J Creed (resigned 13 May 2003)

Mr N Gillis (appointed 21 August 2003)

Mr M McGuigan (appointed 3 October 2003)

Mr K B McCollum (resigned 24 February 2003)

None of the directors who held office at the end of the year had any disclosable interest in the share capital of the company. The interests of the directors in the share capital of the ultimate holding company, Esporta Group Limited, are shown in the accounts of that company.

Auditors

Pursuant to a shareholders' resolution the Company is not obliged to reappoint its' auditors annually and KPMG LLP will therefore continue in office.

Elective Resolution

Pursuant to an elective resolution passed on 19 March 2004 the Company will not hold an Annual General Meeting unless any member requires the Company to do so.

On behalf of the board



M Ball
Director

Trinity Court
Molly Millars Lane
Wokingham
Berkshire

28 October 2004

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;
- 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 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.



Arlington Business Park
Theale
Reading, Berkshire
RG7 4SD
England

Report of the independent auditors to the members of Riverside Childcare Limited

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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.

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 the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 October 2004

Riverside Childcare Limited

Profit and loss account

for the year ended 31 December 2003

	Note	Year ended 31 December 2003 £000	Year ended 31 December 2002 £000
Turnover - continuing operations	1	1,017	1,033
Cost of sales		(678)	(638)
Gross profit		339	395
Administrative expenses		(254)	(215)
Operating profit - continuing operations	2	85	180
Interest receivable	4	6	7
Profit on ordinary activities before taxation		91	187
Tax on profit on ordinary activities	5	1	5
Retained profit for the financial period	11	92	192

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2003

The company has no recognised gains or losses other than those shown in the profit and loss account for both the current and prior period.

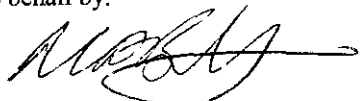
Riverside Childcare Limited

Balance sheet

at 31 December 2003

	Note	2003		2002	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	6		7		5
Current assets					
Debtors	7	608		367	
Cash at bank and in hand		230		274	
		<u>838</u>		<u>641</u>	
Creditors: amounts falling due within one year	8	<u>(258)</u>		<u>(151)</u>	
Net current assets			580		490
Net assets			<u>587</u>		<u>495</u>
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account	11		587		495
Equity shareholders' funds	12		<u>587</u>		<u>495</u>

These financial statements were approved by the board of directors on 28 October 2004 and were signed on its behalf by:



M Ball
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.

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 Esporta Ltd, 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.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

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 Profit on ordinary activities before taxation

	Year ended 31 December 2003 £000	Year ended 31 December 2002 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off owned assets	2	4
	<hr/>	<hr/>

Auditors' remuneration is paid by the ultimate parent undertaking.

Riverside Childcare Limited

Notes (continued)

3 Remuneration of directors

The directors received no remuneration from the company during the period (2002: *£nil*) but were remunerated by the ultimate parent undertaking, Esporta Group Ltd.

4 Interest receivable

	2003 £000	2002 £000
Interest receivable on bank loans	6	7

5 Taxation

	2003		2002	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax for the period	-	-	-	-
Total current tax	-	-	-	-
Deferred tax (see note 9)				
Origination/reversal of timing differences	(1)	(1)	(5)	(5)
Tax on profit on ordinary activities	(1)	(1)	(5)	(5)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2002: *lower*) than the standard rate of corporation tax in the UK (30%, 2002:30%). The differences are explained below.

Riverside Childcare Limited

Notes (continued)

5 Taxation (continued...)

	2003 £000	2002 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	92	187
	<hr/>	<hr/>
Current tax at 30 % (2002: 30 %)	28	56
<i>Effects of:</i>		
Capital allowances for period in excess of depreciation	1	5
Group relief not paid	(29)	(61)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

6 Tangible fixed assets

	Fixtures, Fittings and equipment £000
<i>Cost</i>	
At 1 January 2003	44
Additions	4
	<hr/>
At 31 December 2003	48
<i>Depreciation</i>	
At 1 January 2003	39
Charge for the period	2
	<hr/>
At 31 December 2003	41
<i>Net book value</i>	
At 31 December 2003	7
	<hr/>
At 31 December 2002	5
	<hr/>

7 Debtors

	2003 £000	2002 £000
Trade debtors	127	81
Amounts due from parent and fellow subsidiary undertakings	465	278
Deferred Tax (note 9)	6	5
Other debtors	-	1
Prepayments	10	2
	<hr/>	<hr/>
	608	367
	<hr/>	<hr/>

Riverside Childcare Limited

Notes (continued)

8 Creditors: amounts falling due within one year

	2003 £000	2002 £000
Bank overdraft	1	-
Trade creditors	90	23
Other creditors	129	102
Accruals and deferred income	38	26
	<u>258</u>	<u>151</u>

9 Deferred Taxation

	Deferred taxation £000
At 31 December 2002	5
Credited	1
	<u>6</u>
At 31 December 2003	<u>6</u>

The elements of deferred taxation are as follows:

	2003 £000	2002 £000
Difference between accumulated depreciation and amortisation and capital allowances	6	5
	<u>6</u>	<u>5</u>
Undiscounted asset	<u>6</u>	<u>5</u>

10 Called up share capital

	2003 £000	2002 £000
<i>Authorised</i>		
100 Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	-	-
	<u>-</u>	<u>-</u>

Riverside Childcare Limited

Notes (continued)

11 Reserves

	Profit and loss account £000
At 31 December 2002	495
Retained profit for the year	92
	<hr/>
At 31 December 2003	587
	<hr/>

12 Reconciliation of movement in shareholders funds

	2003 £000	2002 £000
Profit for the financial period	92	192
Opening shareholders funds	495	303
	<hr/>	<hr/>
Closing shareholders funds	587	495
	<hr/>	<hr/>

13 Ultimate parent undertaking

The company is a subsidiary undertaking of Riverside Limited, a company registered in England and Wales.

The company's ultimate parent undertaking is Esporta Group Limited, a company registered in England and Wales. The consolidated accounts of Esporta Group Limited are available to the public and may be obtained from:

Trinity Court
Molly Millars Lane
Wokingham
Berkshire
RG41 2PY