

Riverside Childcare Limited

Directors' report and financial statements

31 December 2001

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 2001.

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 £128,000 (2000: £103,000) and has been transferred to reserves.

The directors do not recommend the payment of a dividend (2000: £nil).

Directors and directors' interests

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

Mr CG Coles (resigned 21 October 2001)

Miss V Penrice

Mr M Beadle (resigned 20 July 2001)

Mr D Waddell (resigned 20 September 2002)

Mr M Ball (appointed 23 July 2001)

Mr M Kelly (appointed 11 January 2002, resigned 22 August 2002)

The interests of Miss V Penrice, who was not a director of the company's ultimate parent undertaking, Esporta plc, in the ordinary share capital of that company are as follows:

Shares			At 31 December 2001 Number		At 31 December 2000 Number	
Miss V Penrice			<u>3,030</u>		<u>3,030</u>	
Options						
Scheme	At 1 January 2001	Granted	At 31 December 2001	Price (pence)	Exercisable from	Lapse date
Executive	24,235	-	24,235	119	2003	2010
	-	18,260	18,260	92	2004	2011
Sharesave	7,336	-	7,336	92	2005	2005
	-	4,843	4,843	80	2004	2004
Totals	31,571	23,103	54,674			

The market price of the shares of Esporta plc at 31 December 2001 was 70.5p and the range during the year was 48.5p to 119.5p.

Riverside Childcare Limited

Auditors

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


V. Penrice
Director

Trinity Court
Molly Millars Lane
Wokingham
Berkshire

23 October 2002

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.

Riverside Childcare Limited

Arlington Business Park
Theale
Berkshire
RG7 4SD

Independent report of the auditor to the members of Riverside Racquet Centre Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditor

As described on page 3 the directors are responsible for the preparation of the directors report and 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. 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 explanations and information we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 December 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

31 October 2002

Riverside Childcare Limited

Profit and loss account

for the year ended 31 December 2001

	Note	Year ended 31 December 2001 £000	Year ended 31 December 2000 £000
Turnover - continuing operations	1	943	820
Cost of sales		(610)	(519)
Gross profit		333	301
Administrative expenses		(157)	(154)
Operating profit - continuing operations	2	176	147
Interest receivable	4	7	-
Profit on ordinary activities before taxation		183	147
Tax on profit on ordinary activities	5	(55)	(44)
Retained profit for the financial period	10	128	103

Statement of total recognised gains and losses for the period ended 31 December 2001

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 2001

	Note	2001		2000	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	6		4		7
Current assets					
Debtors	7	296		357	
Cash at bank and in hand		242		5	
		<u>538</u>		<u>362</u>	
Creditors: amounts falling due within one year	8	<u>(239)</u>		<u>(194)</u>	
Net current assets			299		168
Net assets			<u>303</u>		<u>175</u>
Capital and reserves					
Called up share capital	9		-		-
Profit and loss account	10		303		175
Equity shareholders' funds	11		<u>303</u>		<u>175</u>

These financial statements were approved by the board of directors on 23 October 2002 and were signed on its behalf by:



V Penrice
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 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 December of each year. All other transactions are included up to 31 December.

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
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Stocks

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

2 Profit on ordinary activities before taxation

	Year ended 31 December 2001 £000	Year ended 31 December 2000 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off owned assets	5	8
Auditors' remuneration is paid by the ultimate parent undertaking.		

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Notes (continued)

3 Remuneration of directors

The directors received no remuneration from the company during the period (2001: £nil) but were remunerated by the ultimate parent undertaking, Esporta plc.

4 Interest receivable

	2001 £000	2000 £000
Interest payable	-	(1)
Interest receivable	7	1
	<u>7</u>	<u>-</u>

5 Taxation

	2001 £000	2000 £000
Corporation tax at 30% (2000: 30%) on taxable profits for the period	55	44

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Notes (continued)

6 Tangible fixed assets

	Fixtures, fittings and equipment £000
Cost	
At 1 January 2001	37
Additions	2
At 31 December 2001	39
Depreciation	
At 1 January 2001	30
Charge for the period	5
At 31 December 2001	35
Net book value	
At 31 December 2001	4
At 31 December 2000	7

7 Debtors

	2001 £000	2000 £000
Trade debtors	46	52
Other debtors	246	301
Prepayments	4	4
	296	357

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Notes (continued)

8 Creditors: amounts falling due within one year

	2001 £000	2000 £000
Trade creditors	22	28
Amounts due to parent and fellow subsidiary undertakings	25	25
Corporation tax	124	69
Other creditors	64	51
Accruals and deferred income	4	21
	<u>239</u>	<u>194</u>

9 Called up share capital

	2001 £000	2000 £000
<i>Authorised</i>		
100 Ordinary shares of £1 each	-	-
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	-	-

10 Reserves

	Profit and loss account £000
At 1 January 2001	175
Retained profit for the financial period	128
At 31 December 2001	<u>303</u>

11 Reconciliation of movement in shareholders funds

	2001 £000	2000 £000
Profit for the financial period	128	103
Opening shareholders funds	175	72
Closing shareholders funds	<u>303</u>	<u>175</u>

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Notes *(continued)*

12 **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 plc, a company registered in England and Wales. The consolidated accounts of Esporta plc are available to the public and may be obtained from:

Trinity Court
Molly Millars Lane
Wokingham
Berkshire RG41 2PY