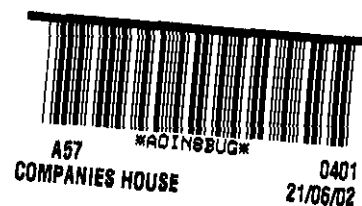


Company Number: 3396672

LIMEHOUSE ARCHES DAY NURSERY LIMITED
(Limited By Guarantee And Not Having A Share Capital)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2001



ALAN PARDOE FCA
CHARTERED ACCOUNTANT
And
REGISTERED AUDITOR
52 Owen Gardens
Woodford Green
Essex IG8 8DJ

Tel/Fax: 020 8504 4690

LIMEHOUSE ARCHES DAY NURSERY LIMITED

FOR THE YEAR ENDED 31 JULY 2001

INDEX TO THE ACCOUNTS

	Page
Report of the Management Committee	2
Report of the accountant	3
Profit and loss account	4
Balance Sheet	5-6
Cashflow statement	7
Statement of the Management Committee's responsibilities	8
Accounting policies	9
Notes to the financial statements	9-11

LIMEHOUSE ARCHES DAY NURSERY LIMITED

31 JULY 2001

REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee presents its report in respect of the year ended 31 July 2001.

LIMITED BY GUARANTEE

The company does not have a share capital but is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before the cessation to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

OBJECTS AND ACTIVITIES

The objects of Limehouse Arches Day Nursery Limited are to promote commerce, art, science, education, religion, charity or any profession and to promote any social, political or sporting activity and anything incidental or conducive to any of the above objects.

REGISTERED OFFICE:

21-23 Trinidad Street
Limehouse
London E14 8AA

MANAGEMENT COMMITTEE:

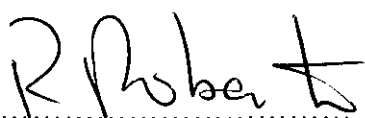
(The members are also referred to as directors)
R. Roberts - chairman
H. Kenney

RESULT:

The result of the year is shown on page 4.

FIXED ASSETS

The details concerning the tangible fixed assets, including the movement during the year, are set out in note 3 to the accounts.


.....
Director

Date: 17/06/2002

LIMEHOUSE ARCHES DAY NURSERY LIMITED

REPORT OF THE ACCOUNTANT TO THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 JULY 2001

I have prepared, without carrying out an audit, the accounts for the year ended 31 July 2001 as set out on pages 4 to 11.

Respective Responsibilities of the Directors and Accountant

As described on page 8, the Management Committee is responsible for the preparation of the accounts and they consider that the Company is exempt from an audit. My responsibilities are to prepare the accounts on behalf of the Management Committee, based on the Company's accounting records and information and instructions from the Directors.

Basis of Opinion

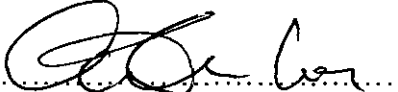
I prepared the accounts in accordance with best practice. I compared the accounts with the accounting records maintained by the Company and made such limited enquiries of the officers of the Company as I considered necessary for the preparation of these accounts. I have not carried out an audit in accordance with Auditing Standards. Accordingly, I do not express an audit opinion on the accounts, nor does the scope of my work provide any assurance that the accounting records and the accounts are free from material misstatement whether caused by error, fraud or other irregularities.

Opinion

In my opinion:

- a. the accounts are in agreement with the accounting records maintained by the Company under Section 221 of the Companies Act 1985 and information provided by the Directors, and
- b. having regard only to, and on the basis of, the information contained in those accounting records and instructions from the Directors, the accounts have been drawn up in a manner consistent with the requirements of the Companies Act 1985 and generally accepted accounting principles.

Date17.....JUNE.....2002


ALAN PARDOE FCA
Chartered Accountant

LIMEHOUSE ARCHES DAY NURSERY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JULY 2001**

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
INCOME			
Grant received		5,408	5,702
Grant in lieu – see note below		6,000	4,785
Nursery fees receivable		163,168	78,909
Interest received – gross		44	4
	1b	<u>174,620</u>	<u>89,400</u>
LESS EXPENDITURE			
Salaries and wages:			
Nursery assistants & other staff		93,383	56,753
Director's consultancy fees		12,000	5,250
Training		660	817
Food		5,533	2,433
Nursery equipment, toys, videos & books		3,933	2,091
Cleaning & hygiene		2,789	1,031
Rent		10,620	5,025
Rates and water rates including value of grant		7,032	5,960
Printing, stationery, telephone & postage		2,771	1,392
Computer expenses		1,945	1,825
Advertising		289	-
Light & heat		3,942	2,746
Staff welfare		2,196	-
Motor & travelling expenses		712	348
Repairs & renewals		8,232	3,951
Insurance		1,914	2,224
Accountancy & taxation		830	800
Bank interest & charges		1,423	661
Sundry expenses		406	952
Depreciation	3	<u>2,466</u>	<u>2,358</u>
		<u>163,076</u>	<u>96,617</u>
Profit/(loss) on ordinary activities for the year before taxation		11,544	(7,217)
Taxation	2	<u>530</u>	<u>-</u>
Profit/(loss) for the year	5	<u>£11,014</u>	<u>£(7,217)</u>

The company has no recognised gains or losses other than those incorporated in the above profit and loss account.

None of the company's activities were acquired or discontinued during the above financial year.

The notes on pages 9-11 form part of these financial statements.

LIMEHOUSE ARCHES DAY NURSERY LIMITED

BALANCE SHEET

AT 31 JULY 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
TANGIBLE FIXED ASSETS	3	5,722	7,863
CURRENT ASSETS			
Bank balances		<u>16,825</u>	<u>1,388</u>
		<u>16,825</u>	<u>1,388</u>
LESS: CURRENT LIABILITIES			
Creditors:			
Amounts payable within one year	4	(18,750)	(16,468)
CURRENT LIABILITIES - NET		(1,925)	(15,080)
TOTAL (LIABILITIES) - NET		<u>£3,797</u>	<u>£(7,217)</u>
REPRESENTED BY:			
ACCUMULATED RESERVE			
At 31 July 2000 – (deficit)		(7,217)	-
Profit/(loss) for the year		<u>11,014</u>	<u>(7,217)</u>
At 31 July 2001 (2000 deficit)	5	<u>£3,797</u>	<u>£(7,217)</u>

Statement by the Directors

In approving these accounts, the Management Committee of the Company hereby confirms:

- a. that the Company is entitled to exemption under Section 249A(1) of the Companies Act 1985 from the requirement to have its accounts for the year ended 31 July 2001 audited;
- b. that no notice has been deposited under Section 249B(2) of that Act requiring the accounts of the company for that financial period to be audited; and

LIMEHOUSE ARCHES DAY NURSERY LIMITED

BALANCE SHEET - continued

AT 31 JULY 2001

- c. that we acknowledge our responsibilities for:
- i) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the Company at the end of the financial year and of its profit or loss for that year in accordance with the requirements of Section 226 of that Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as these are applicable to the Company.

Approved by the Board on

17 | 06 | 2002

Director

R Robert

LIMEHOUSE ARCHES DAY NURSERY LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2001

	<u>2001</u>	<u>2000</u>
	£	£
Net cash inflow/(outflow) from Operating Activities:		
Operating profit/(loss) before interest received	11,500	(7,221)
Depreciation charge	2,466	2,358
Increase in creditors	<u>1,752</u>	<u>16,468</u>
	15,718	11,605
Returns on Bank Accounts:		
Interest received	44	4
Investing Activities:		
Payments to acquire tangible fixed assets – note 3	<u>(325)</u>	<u>(10,221)</u>
Increase in cash and cash equivalents	<u>£15,437</u>	<u>£1,388</u>
Changes In Cash And Cash Equivalents During the Year:		
Bank balances at 1 August 2000	1,388	-
at 31 July 2001	<u>16,825</u>	<u>1,388</u>
Cash inflow during the year	<u>£15,437</u>	<u>£1,388</u>

LIMEHOUSE ARCHES DAY NURSERY LIMITED

STATEMENT OF THE MANAGEMENT COMMITTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2001

Company law requires the Management Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those accounts, the Management Committee is 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 accounts;

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable the said Committee to ensure that the accounts comply with the Companies Act 1985. The Management Committee is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Accounting Policies selected are set out on page 9.

LIMEHOUSE ARCHES DAY NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2001

1. ACCOUNTING POLICIES

Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting, and in accordance with the Companies Act 1985 and applicable Accounting Standards.

(a) Tangible Fixed Assets

Depreciation is provided on the cost of all tangible fixed assets net of capital grants received at the undermentioned annual rates, to write them off over the period of their anticipated useful lives:

Security gates	20%
Plant	25%
Furniture & equipment	25% - 33 1/3%

(b) Income

Income, other than grants, is the amount receivable and revenue grants are the amounts received in the period subject to carrying forward an appropriate proportion of any grant if it relates to a period terminating after the date of these accounts.

(c) Deferred Taxation

Deferred taxation accounting is only operated where there is reasonable probabilities that the liability will not arise in the foreseeable future.

(d) Going Concern

The Management Committee considers that adequate facilities are available to the Company from its continued trading to provide sufficient working capital for the foreseeable future. On the basis that trading will continue, the Management Committee has applied the going concern concept in preparing the Accounts.

2. TAXATION

The charge for corporation tax for the year at 10% was £530 (2000 - £NIL) after adjusting for corporation tax losses brought forward from the previous year.

LIMEHOUSE ARCHES DAY NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 JULY 2001

3. TANGIBLE FIXED ASSETS

	<u>Plant & gates</u> £	<u>Furniture & equipment</u> £	<u>Total</u> £
Cost:			
At 31 July 2000	13,176	3,900	17,076
Additions	-	325	325
	<u>13,176</u>	<u>4,225</u>	<u>17,401</u>
Less:			
Grant received	(6,855)	(-)	(6,855)
At 31 July 2001	<u>6,321</u>	<u>4,225</u>	<u>10,546</u>
	<u>Plant & gates</u> £	<u>Furniture & equipment</u> £	<u>Total</u> £
Depreciation:			
At 31 July 2000	1,383	975	2,358
Depreciation charge for the year	<u>1,382</u>	<u>1,084</u>	<u>2,466</u>
At 31 July 2001	<u>2,765</u>	<u>2,059</u>	<u>4,824</u>
Net Book Value:			
At 31 July 2001	<u>3,556</u>	<u>2,166</u>	<u>£5,722</u>
At 31 July 2000	<u>4,938</u>	<u>2,925</u>	<u>£7,863</u>

4. CREDITORS

	<u>2001</u> £	<u>2000</u> £
Amounts payable within one year:		
Trade creditors	1,842	361
Sundry creditors and accruals	12,296	8,349
Corporation tax	530	-
Other taxation and social security costs	3,308	6,984
Director's loan account	<u>774</u>	<u>774</u>
	<u>£18,750</u>	<u>£16,468</u>