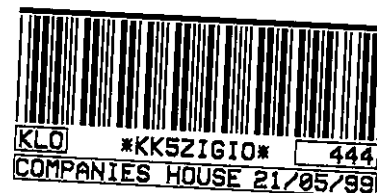


Registration Number 03407104

L G Montessori School Limited
Director's Report and Financial Statements
for the period ended 31st December 1998



L G Montessori School Limited

Company Information

Directors	Risvanna Sheikh
Secretary	Vinod Shah
Company Number	03407104
Registered Office	C/O Littlewick Green Montessori School School Lane Littlewick Green Berkshire SL6 3QY
Bankers	Barclays Bank Bristol & North Somerset Group P O Box 207 Bristol BS99 7AJ

L G Montessori School Limited

Contents

	Page
Director's Report	1
Profit and Loss Account	2
Balance Sheet	3 - 4
Notes to the Financial Statements	5 - 8

L G Montessori School Limited

Director's Report for the period ended 31st December 1998

The director presents her report and the financial statements for the period ended 31st December 1998.

Principal Activity

The company was formed on 22nd July 1997 as Portertrade Limited and changed its name to L G Montessori School Limited on 3rd December 1997. The company commenced to trade on 1st February 1998. The principal activity of the company was that of the provision of nursery education as a Montessori School and there was no significant change during the period.

Directors and their Interests

The directors who served during the period and their interests in the company are as stated below:

Ordinary shares 1998

Risvanna Sheikh	Appointed on 12th August 1997	70,000
Eden Corporate Services Ltd	Resigned on 12th August 1997	-

Director's Responsibilities

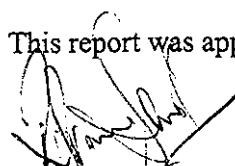
Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the director is required to:

- select suitable accounting policies and 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She 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.

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

This report was approved by the Board on 18th May 1999 and signed on its behalf by



Risvanna Sheikh
Director

L G Montessori School Limited

Profit and Loss Account for the period ended 31st December 1998

		1998
	Notes	£
Turnover	2	199,242
Administrative expenses		(145,539)
Operating profit	3	<u>53,703</u>
Interest receivable and similar income		668
Interest payable and similar charges	4	<u>(39,287)</u>
Profit on ordinary activities before taxation		15,084
Tax on profit on ordinary activities	6	<u>(5,250)</u>
Retained profit for the period		<u><u>9,834</u></u>

The notes on pages 5 to 8 form an integral part of these financial statements.

L G Montessori School Limited

Balance Sheet as at 31st December 1998

	Notes	1998	
		£	£
Fixed Assets			
Intangible assets	7		140,000
Tangible assets	8		420,483
			<u>560,483</u>
Current Assets			
Debtors	9	6,324	
Cash at bank and in hand		37,763	
		<u>44,087</u>	
Creditors: amounts falling due within one year	10	(15,360)	
Net Current Assets			<u>28,727</u>
Total Assets Less Current Liabilities			589,210
Creditors: amounts falling due after more than one year	11		(509,376)
Net Assets			<u><u>79,834</u></u>
Capital and Reserves			
Called up share capital	12		70,000
Profit and loss account			9,834
Shareholders' Funds			<u><u>79,834</u></u>

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 8 form an integral part of these financial statements.

L G Montessori School Limited

Balance Sheet (continued)

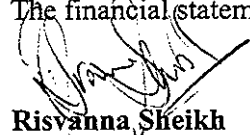
**Director's statements required by Section 249B(4)
for the period ended 31st December 1998**

In approving these financial statements as director of the company I hereby confirm:

- (a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 31st December 1998 and
- (c) that I acknowledge my responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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.

The financial statements approved by the Board on 18th May 1999 and signed on its behalf by



Risvanna Sheikh
Director

The notes on pages 5 to 8 form an integral part of these financial statements.

L G Montessori School Limited

Notes to the Financial Statements for the period ended 31st December 1998

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight Line over fifty years
Fixtures, fittings and equipment	-	10% Straight Line

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

1998

£

Operating profit is stated after charging:

Depreciation of tangible assets

8,797

4. Interest payable and similar charges

1998

£

On loans and overdrafts

39,287

L G Montessori School Limited

Notes to the Financial Statements for the period ended 31st December 1998

..... continued

5. Directors' emoluments

	1998
	£
Remuneration and other benefits	2,475

6. Taxation

	1998
	£
UK current year taxation	
UK Corporation Tax	5,250

7. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
Additions	140,000	140,000
At 31st December 1998	140,000	140,000
Net book value		
At 31st December 1998	140,000	140,000

8. Tangible fixed assets

	Land and buildings freehold	Fixtures, fittings equipment	Total
	£	£	£
Cost			
Additions	416,648	12,632	429,280
At 31st December 1998	416,648	12,632	429,280
Depreciation			
Charge for the period	7,639	1,158	8,797
At 31st December 1998	7,639	1,158	8,797
Net book value			
At 31st December 1998	409,009	11,474	420,483

L G Montessori School Limited

Notes to the Financial Statements for the period ended 31st December 1998

..... continued

9. Debtors

1998
£

4,348
1,976

6,324

Trade debtors

Other debtors

10. Creditors: amounts falling due within one year

1998
£

5,250
4,945
5,165

15,360

Corporation tax

Other taxes and social security costs

Accruals and deferred income

11. Creditors: amounts falling due after more than one year

1998
£

417,522
91,854

509,376

Bank loan

Director's loan account

Loans

Repayable in five years or more

399,787

The bank loan is secured by a fixed and floating charge over all the assets of the company.

12. Share capital

1998
£

Authorised

100,000 Ordinary shares of £1 each

100,000

Allotted, called up and fully paid

70,000 Ordinary shares of £1 each

70,000

L G Montessori School Limited

**Notes to the Financial Statements
for the period ended 31st December 1998**

..... continued

13. Transactions with directors

The Director Ms R Sheikh has personally guaranteed the bank loan and advanced an interest free loan to the company. At 31st December 1998 the amount due to her was £91,854.

14. Related party transactions

As disclosed in the Directors Report Ms R Sheikh is personally interested in 100% of the company's issued share capital. Accordingly the company was under the control of Ms R Sheikh, a director throughout the current period. The transactions with the director are disclosed in the note above.