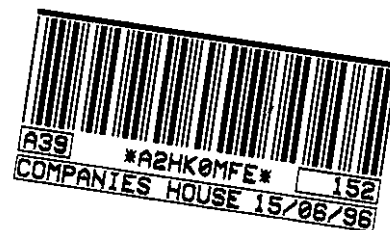


Company No. 2621551

THE CORNER HOUSE DAY NURSERIES LIMITED

REPORT AND ACCOUNTS

1995



CORNER HOUSE DAY NURSERIES LIMITED

Board of Directors

Directors	H.A.K. CLAPP D.C. LILLEY
Secretary	Mr D.C. LILLEY
Registered Office	850 Green Lanes London N21 2RS

REPORT AND ACCOUNTS 31st October 1995

Page 1/2	Report of the Directors
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The following page does not form part of the statutory accounts :

Page 10	Profit and Loss Account
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CORNER HOUSE DAY NURSERIES LIMITED

REPORT OF THE DIRECTORS

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The Directors present the audited accounts of the Company for the year ended 31st October 1995.

PRINCIPAL ACTIVITY

The Company provides day care nursery facilities for children.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The Directors feel that the indication of forthcoming trading gives the Company a sound future for continued growth in its particular field. The profit for the year was £17,394 [1994 (£14,387)].

DIRECTORS

The Directors of the Company, at 31st October 1995, all of whom held office throughout the period ended on that date, were :

	<u>Ordinary Shares</u>
	<u>1994/95</u>
H.A.K. CLAPP	1
D.C. LILLEY	1

CLOSE COMPANY

The Company is a close company as defined by the Income and Corporation Taxes Act 1988. No provision is deemed necessary under the appropriate sections of that Act.

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The directors are obliged under company law to prepare financial statements for each financial year and to present them annually to the Company's members in the annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies' Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit for that period, and they must comply with applicable accounting standards.

The Directors are also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors confirm that the above requirements have been complied with in the financial statements.

CORNER HOUSE DAY NURSERIES LIMITED

REPORT OF THE DIRECTORS

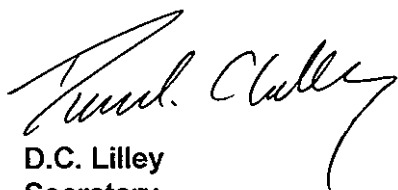
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In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Group and to prevent and detect fraud or any other irregularities.

AUDITOR

A resolution to re-appoint the auditor, Mr J. Muraszko, will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D.C. Lilley
Secretary

850 Green Lanes
London N21 2RS

3rd June 1996

CORNER HOUSE DAY NURSERIES LIMITED

REPORT OF THE AUDITOR

to the Members of Corner House Day Nurseries Ltd

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I have audited the financial statements on pages 4 - 9 which have been prepared under the historical cost convention and accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described, the Company's Directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion on those statements and to report my opinion to you.

Basis of Opinion

I conducted my 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 preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstance, consistently applied and adequately disclosed.

I performed my audit so as to obtain all the information and explanations, which I considered necessary in order to provide me 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 my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st October 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies' Act 1985.



J. Muraszko

Certified Accountant and Registered Auditor

**50 Mount Park Road
London W5 2RU**

3rd June 1996

CORNER HOUSE DAY NURSERIES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st October 1995

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	<u>Notes</u>	1995 £	1994 £
TURNOVER	1	373,886	316,001
Less :			
Net operating expenses	2	<u>356,492</u>	<u>301,614</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,394	14,387
Tax on result of ordinary activities	5	<u> </u>	<u> </u>
PROFIT FOR THE FINANCIAL YEAR		<u>17,394</u>	<u>14,387</u>
STATEMENT OF ACCUMULATED LOSSES			
at 1st November 1994		(36,717)	(51,104)
Retained Profit for the year		<u>17,394</u>	<u>14,387</u>
At 31st October 1995		(<u>19,323</u>)	(<u>36,717</u>)

CORNER HOUSE DAY NURSERIES LIMITED

BALANCE SHEET as at 31st October 1995

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	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS	6	26,680	18,990
CURRENT ASSETS			
Debtor	8	5,104	
Cash		<u>84</u>	<u>40</u>
		<u>5,188</u>	
<u>CURRENT LIABILITIES</u>			
CREDITORS - amounts falling due within 1 year	7	31,148	34,625
Bank Overdraft		<u>20,041</u>	<u>21,120</u>
		<u>51,189</u>	<u>55,745</u>
NET CURRENT LIABILITIES		(46,001)	(55,705)
NET LIABILITIES		(19,321)	(36,715)
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and Loss Account		(19,323)	(36,717)
		(19,321)	(36,715)

These accounts were approved by the Directors on 3rd June 1996.

H.A.K. CLAPP - Director

D.C. LILLEY - Secretary

CORNER HOUSE DAY NURSERIES LIMITED

CASH FLOW STATEMENT

Year ended 31st October 1995

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	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	10	34,570	24,949
INVESTMENT ACTIVITIES			
Loans Repaid		(12,652)	(15,499)
Payments for Tangible Fixed Assets		(<u>20,795</u>)	(<u>2,707</u>)
		(<u>33,447</u>)	(<u>18,206</u>)
INCREASE IN CASH	11	<u>1,123</u>	<u>6,743</u>

CORNER HOUSE DAY NURSERIES LIMITED

NOTES TO THE ACCOUNTS

31st October 1995

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PRINCIPAL ACCOUNTING POLICIES

1. A summary of the important accounting policies is set out below.

BASIS OF ACCOUNTING

The accounts are prepared on the historical cost convention.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Tangible fixed assets are written off on a straight line basis over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are :

Plant and office equipment 25% of the written down value

TURNOVER

Turnover represents the invoiced value of sales to customers.

NET OPERATING EXPENSES

	<u>1995</u>	<u>1994</u>
2. Operating Expenses	<u>356,492</u>	<u>301,614</u>

OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
3. Operating Profit is arrived at after charging :		
Auditor's remuneration	600	600
Depreciation of tangible fixed assets	13,105	8,946
Interest paid	<u>657</u>	<u>2,898</u>

DIRECTORS EMOLUMENTS

4. Directors Emoluments disclosed in accordance with Schedule 5, Sections 24 and 25 of the Companies Act 1989, are as follows :	<u>1995</u>	<u>1994</u>
Directors emoluments for services	<u>£ 33,594</u>	<u>£ 23,119</u>

CORNER HOUSE DAY NURSERIES LIMITED

NOTES TO THE ACCOUNTS 31st October 1995 (continued)

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TAX ON RESULTS OF ORDINARY ACTIVITIES

5. There is no tax charge on the profit due to unutilised losses.

TANGIBLE FIXED ASSETS

6.	<u>FIXTURES & FITTINGS</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>
<u>Cost</u>		
At 1st November 1994	47,559	47,559
Additions	<u>20,795</u>	<u>20,795</u>
At 31st October 1995	<u>68,354</u>	<u>68,354</u>
<u>Depreciation</u>		
at 1st November 1994	28,569	28,569
Charge for the year	<u>13,105</u>	<u>13,105</u>
at 31st October 1995	<u>41,674</u>	<u>41,674</u>
Net book value at 31st October 1995	<u>26,680</u>	<u>26,680</u>
Net book value at 31st October 1994	<u>18,990</u>	<u>18,990</u>

CREDITORS : Amounts falling due within one year

	<u>1995</u>	<u>1994</u>
7. Loans	2,432	15,084
Accruals and deferred income	8,811	3,126
Deposits held	<u>19,905</u>	<u>16,415</u>
	<u>31,148</u>	<u>34,625</u>
8. DEBTOR		
Debtor	<u>5,104</u>	<u>----</u>

SHARE CAPITAL

	<u>1995 & 1994</u>
9. Authorised	100
	=====
Issued and fully paid	2
	=====

CORNER HOUSE DAY NURSERIES LIMITED

NOTES TO THE ACCOUNTS

31st October 1995 (continued)

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	1995 £	1994 £
10. NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating Profit	17,394	14,387
Depreciation	13,105	8,946
Increase in Debtors	(5,104)	----
Increase in Creditors	<u>9,175</u>	<u>1,616</u>
	<u>34,570</u>	<u>24,949</u>
11. Decrease in Cash	Bank Overdraft	Cash Total
at 1st November 1994	(21,120)	40 (21,080)
Net Inflow	<u>1,079</u>	<u>44</u> <u>1,123</u>
at 31st October 1995	<u>(20,041)</u>	<u>84</u> <u>(19,957)</u>