

Happitots Day Nurseries Limited

FINANCIAL STATEMENTS

for the year ended

28 February 2011

Company Registration No. SC192599



HAPPITOTS DAY NURSERIES LIMITED

COMPANY INFORMATION

DIRECTORS	Mr T P Lyons Mr G J Scott Mr D Gray (appointed 19 October 2010)
SECRETARY	Mr T P Lyons
COMPANY NUMBER	SC192599
REGISTERED OFFICE	Bertram House, Block B, Suite 2 Kittleyards, Causewayside EDINBURGH EH9 1RG
AUDITOR	Baker Tilly UK Audit LLP First Floor, Quay 2 139 Fountainbridge EDINBURGH EH3 9QG
BANKERS	Bank of Scotland The Mound EDINBURGH EH1 1YZ

HAPPITOTS DAY NURSERIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors present their report and financial statements for the year ended 28 February 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of the operation of children's nurseries within the Bertram Nursery Group.

REVIEW OF THE BUSINESS

The company had a profit for the year of £367,328 after tax. This is after charging net interest payable of £7,529, amortisation of acquired goodwill of £53,980, depreciation of £219,914, and a management charge from our parent company of £1,817,430 giving operational Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of £648,751 for the year.

The company's key financial performance indicators during the year were as follows:

	2011	% Change	2010
Turnover	11,260,585	6%	10,574,664
Operating Profit/(Loss) after Management Charge	374,857	147%	(793,818)
Add back Management Charge	1,817,430	(19%)	2,238,776
Operating Profit	2,192,287	52%	1,444,958

Company turnover is represented by fees receivable from nursery operations. The increase in turnover is primarily due to the full year effect of new nurseries brought on board in 2010 and partly to fee increases. The increase in operational profit is as a result of improved wage control and a reduction in goodwill amortisation.

The Directors have identified the following as the key risks to which the company is exposed:

Regulatory risk

Every nursery is registered with and regulated by Ofsted in England or the SCSWIS in Scotland. Internal control procedures are in place to ensure that the relevant regulations are adhered to.

Liquidity risk

The company prepares regular forecasts of future cash and debt requirements and monitors cash flow on an ongoing basis.

FUTURE DEVELOPMENTS

The company intends to continue to operate children's nurseries with various initiatives in place to further enhance the existing portfolio. The Board also intend to open four new nurseries throughout the coming year. The first of these, Princes Dock Nursery opened under the Holyrood brand on 1 April 2011.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. The directors do not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 1 March 2010:

Mr T P Lyons

Mr G J Scott

Mr D Gray (appointed 19 October 2010)

HAPPITOTS DAY NURSERIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

EMPLOYEE INVOLVEMENT

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

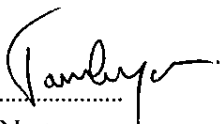
DISABLED PERSONS

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



Mr T P Lyons

SECRETARY

28. June 2011

Happitots Day Nurseries Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAPPITOTS DAY NURSERIES LIMITED

We have audited the financial statements set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2011 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



I ALEXANDER L TAIT (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

First Floor, Quay 2

139 Fountainbridge

EDINBURGH

EH3 9QG

21/6/11

HAPPITOTS DAY NURSERIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2011

	Notes	2011 £	2010 £
TURNOVER	1	11,260,585	10,574,664
Cost of sales		(6,407,623)	(6,211,449)
GROSS PROFIT		4,852,962	4,363,215
Administrative expenses		(2,679,051)	(2,675,313)
Amortisation of goodwill		(53,980)	(273,084)
Other operating income		72,356	30,140
Management fees		(1,817,430)	(2,238,776)
OPERATING PROFIT/(LOSS)		374,857	(793,818)
Investment income	2	4,376	231
Interest payable and similar charges	3	(11,905)	(15,103)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	367,328	(808,690)
Taxation	6	-	15,210
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	13	367,328	(793,480)

The profit for the year arises from the company's continuing operations.

HAPPITOTS DAY NURSERIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 28 FEBRUARY 2011

	2011 £	2010 £
Profit/(Loss) for the financial year	367,328	(793,480)
Impairment during the year	-	(238,800)
Total recognised gains/(losses) relating to the year	<u>367,328</u>	<u>(1,032,280)</u>

HAPPITOTS DAY NURSERIES LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	7	922	54,902
Tangible assets	8	894,283	856,944
		<u>895,205</u>	<u>911,846</u>
CURRENT ASSETS			
Stocks	9	24,702	24,702
Debtors: amounts falling due within one year	10	719,204	665,522
Debtors: amounts falling due after more than one year	10	-	135,598
Cash at bank and in hand		146,567	819,803
		<u>890,473</u>	<u>1,645,625</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(1,665,256)</u>	<u>(2,804,377)</u>
NET CURRENT LIABILITIES		<u>(774,783)</u>	<u>(1,158,752)</u>
NET ASSETS/ (LIABILITIES)		<u>120,422</u>	<u>(246,906)</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Revaluation reserve	13	78,538	80,141
Profit and loss account	13	(8,116)	(377,047)
SHAREHOLDERS' FUNDS	15	<u>120,422</u>	<u>(246,906)</u>

The financial statements on pages 5 to 16 were approved by the board of directors and authorised for issue on 23/6/11 and are signed on its behalf by:



Mr D Gray
DIRECTOR

28 JUNE 2011

HAPPITOTS DAY NURSERIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2011

	Notes	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	19	212,863	(420,766)
Returns on investments and servicing of finance	20.1	(7,529)	(14,872)
Taxation		(28,206)	-
Capital expenditure	20.2	(257,253)	(329,455)
DECREASE IN CASH IN THE YEAR	21, 22	<u>(80,125)</u>	<u>(765,093)</u>

Happitots Day Nurseries Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEB 2011

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and leasehold properties.

COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

GOING CONCERN

In preparation of the financial statements, the Directors have made an assessment of the company's ability to continue as a going concern.

The company's business activities, together with the factors likely to affect its future development, performance and position, and its exposures to credit risk are set out in the Directors' report.

Based on the continuing occupancy levels which have not been materially affected by the economic downturn, the Directors have prepared detailed forecasts which show that the company is able to operate within its existing group financing arrangements and is not expected to breach any banking covenants within twelve months of the date that the Directors' report is signed. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its fellow group undertakings.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the group's ability to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment the directors have a reasonable expectation that the group and company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the company's annual financial statements.

TURNOVER

Turnover consists of fee income received for the provision of childcare and is recognised as the childcare service is provided.

GOODWILL

Acquired goodwill is written off in equal annual installments over its estimated useful life deemed to be 4 years, as this is the maximum goodwill that can reasonably be expected from a family whose child attends a Happitots nursery. A full year's charge is made in the year of acquisition.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Freehold properties are included at valuation (existing value in use) less depreciation. Other fixed assets, excluding freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Tenants Improvements	25% straight line
Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

LEASING

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

STOCK

Stocks and work in progress are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

Happitots Day Nurseries Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

1 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2 INVESTMENT INCOME	2011 £	2010 £
Bank interest	4,376	231
	<u>4,376</u>	<u>231</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES	2011 £	2010 £
On bank loans and overdrafts	11,905	15,103
	<u>11,905</u>	<u>15,103</u>

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2011 £	2010 £
Profit/(Loss) is stated after charging:		
Amortisation of intangible assets	53,980	273,084
Depreciation of tangible assets	219,914	143,497
Operating lease rentals		
- Plant and machinery	9,237	9,386
- Other assets	1,175,881	1,105,550
Auditor's remuneration – audit services	5,750	5,750
- other services	1,680	1,850
	<u>1,680</u>	<u>1,850</u>

5 EMPLOYEES

NUMBER OF EMPLOYEES

The average monthly number of employees (including directors) during the year was:

	2011 Number	2010 Number
	459	454
	<u>459</u>	<u>454</u>

EMPLOYMENT COSTS	2011 £	2010 £
Wages and salaries	5,560,247	5,354,469
Social security costs	322,189	322,969
	<u>5,882,436</u>	<u>5,677,438</u>

There were no emoluments payable to Directors in the year (2010: NIL).

HAPPITOTS DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

6 TAXATION	2011	2010
	£	£
UK Corporation tax		
Current tax on loss of the period	-	-
Adjustment for prior years	-	(15,210)
	<u>-</u>	<u>(15,210)</u>
CURRENT TAX CREDIT	<u>-</u>	<u>(15,210)</u>

FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than the standard rate of corporation tax (28%) as explained below:

Profit/(loss) on ordinary activities before taxation	367,328	(808,690)
	<u>367,328</u>	<u>(808,690)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 21.00%)		
	102,852	(169,825)
	<u>102,852</u>	<u>(169,825)</u>
Effects of:		
Non deductible expenses	39,108	42,354
Depreciation in excess of capital allowances	651	(13,599)
Group relief	(26,895)	96,108
Tax losses utilised	(115,716)	-
Losses carried forward	-	44,962
Adjustments to previous periods	-	(15,210)
	<u>(102,852)</u>	<u>154,615</u>
CURRENT TAX CREDIT	<u>-</u>	<u>(15,210)</u>

The company has losses of £ NIL (2010 - £ 413,270) available for carry forward against future trading profits.

HAPPITOTS DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 March 2010	1,437,947
Additions	-
At 28 February 2011	1,437,947
AMORTISATION	
At 1 March 2010	1,383,045
Charge for the year	53,980
At 28 February 2011	1,437,025
NET BOOK VALUE	
At 28 February 2011	922
At 28 February 2010	54,902

Additions represent the excess of the valuation of the consideration paid to acquire the trade and assets of nursery operations over the fair value of the assets acquired.

8 TANGIBLE FIXED ASSETS

	Land and buildings Freehold	Tenants improvements	Fixtures, fittings & equipment	Total
	£	£	£	£
COST OR VALUATION				
At 1 March 2010	345,725	416,239	377,358	1,139,322
Additions	49,999	173,872	33,382	257,253
At 28 February 2011	395,724	590,111	410,740	1,396,575
DEPRECIATION				
At 1 March 2010	6,280	83,678	192,420	282,378
Charge for the year	15,047	129,156	75,711	219,914
At 28 February 2011	21,327	212,834	268,131	502,292
NET BOOK VALUE				
At 28 February 2011	374,397	377,277	142,609	894,283
At 28 February 2010	339,445	332,561	184,938	856,944

Included in Freehold Land and Buildings are properties valued at £345,725 (2010: £345,725) with a historic cost of £264,548 (2010: £264,548). The depreciation charge on a historic cost basis is £5,291 (2010: £5,291). Revaluations were based on valuation reports provided on 28 February 2010 by DM Hall Chartered Surveyors.

HAPPITOTS DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2011

9	STOCKS	2011 £	2010 £
	Raw materials and consumables	<u>24,702</u>	<u>24,702</u>

10	DEBTORS	2011 £	2010 £
	Trade Debtors	323,735	384,311
	Amounts owed by parent and fellow subsidiary undertakings	262,302	379,988
	Other debtors	19,336	11,011
	Prepayments and accrued income	113,831	25,810
		<u>719,204</u>	<u>801,120</u>

Amounts falling due after more than one year and included in the debtors above are:

	2011 £	2010 £
Amounts owed by group undertakings	<u>-</u>	<u>135,598</u>

11	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £	2010 £
	Bank loans and overdrafts	37,391	630,502
	Trade creditors	219,726	219,425
	Amounts owed to parent and fellow subsidiary undertakings	1,025,746	1,362,073
	Corporation tax	11,832	40,038
	Other taxes and social security costs	69,349	251,011
	Directors' current accounts	100,000	100,000
	Other creditors	79,792	113,528
	Accruals and deferred income	121,421	87,800
		<u>1,665,257</u>	<u>2,804,377</u>

The bank overdraft of £37,391(2010: £630,502) is secured by a floating charge on the assets of the group

HAPPITOTS DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

12	SHARE CAPITAL	2011 £	2010 £
	ALLOTTED, CALLED UP AND FULLY PAID		
	50,000 Ordinary shares of £1 each	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
	EQUITY SHARES		
	50,000 Ordinary shares of £1 each	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
13	RESERVES	Revaluation reserve	Profit and loss account
		£	£
	Balance at 1 March 2010	80,141	(377,047)
	Profit for the year	-	367,328
	Transfer from revaluation reserve to profit and loss account	(1,603)	1,603
		<u>78,538</u>	<u>(8,116)</u>
	Balance at 28 February 2011	78,538	(8,116)
14	MORTGAGES AND CHARGES		
	The company has granted its bankers, the Bank of Scotland plc, a secured charge over the property, and a bond and floating charge over the whole of the assets of the company. Each member of the Bertram Nursery Group has a cross-guarantee over the liabilities of all other group companies		
15	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2011 £	2010 £
	Profit/(Loss) for the financial year	367,328	(793,480)
	Impairment during the year	-	(238,800)
		<u>367,328</u>	<u>(1,032,280)</u>
	Net addition to/(depletion in) shareholders' funds	367,328	(1,032,280)
	Opening shareholders' funds	(246,906)	785,374
		<u>120,422</u>	<u>(246,906)</u>
	Closing shareholders' funds	120,422	(246,906)

HAPPITOTS DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2011

16 FINANCIAL COMMITMENTS

At 28 February 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2012:

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire:		
Within one year	69,927	-
Between two and five years	15,714	394,315
In over five years	1,028,780	570,970
	<u>1,114,421</u>	<u>965,285</u>

17 CONTROL

The entire share capital of Happitots Day Nurseries Limited is owned by Bertram Nursery Group Limited. The ultimate controlling party is Graeme Scott.

18 RELATED PARTY TRANSACTIONS

Happitots Limited is a wholly owned subsidiary of Bertram Nursery Group Limited. The company has taken advantage of the exemption available in Financial Reporting Standard 8 not to disclose related party transactions with companies within the Bertram Nursery Group on the grounds that consolidated financial statements are prepared by the ultimate parent company. Copies of the group accounts of Bertram Nursery Group Limited are available from the Registrar of Companies at Companies House.

As at 28 February 2011, the company owed Tom Lyons (Director) £100,000 (2010: £100,000), this is included in creditors at note 11. Graeme Scott was due the Company £5,000 (2010: £5,000) at 28 February 2011, this is included within other debtors at note 10.

19 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit/(loss)	374,857	(793,818)
Depreciation of tangible assets	219,914	143,497
Amortisation of intangible assets	53,980	273,084
Decrease/(Increase) in debtors	81,916	(85,574)
(Decrease)/Increase in creditors within one year	(517,804)	42,045
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>212,863</u>	<u>(420,766)</u>

HAPPITOTS DAY NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

20.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2011 £	2010 £
Interest received	4,376	231
Interest paid	(11,905)	(15,103)
	<u>(7,529)</u>	<u>(14,872)</u>

20.2 CAPITAL EXPENDITURE	2011 £	2010 £
Payments to acquire tangible assets	(257,253)	(329,455)
	<u>(257,253)</u>	<u>(329,455)</u>

21 ANALYSIS OF NET FUNDS	1 March 2010	Cash flow	28 February 2011
	£	£	£
Net cash:			
Cash at bank and in hand	819,803	(673,236)	146,567
Bank overdrafts	(630,502)	593,111	(37,391)
	<u>189,301</u>	<u>(80,125)</u>	<u>109,176</u>
NET FUNDS	<u>189,301</u>	<u>(80,125)</u>	<u>109,176</u>

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2011 £	2010 £
Decrease in cash in the year	(80,125)	(765,093)
MOVEMENT IN NET FUNDS IN THE YEAR	<u>(80,125)</u>	<u>(765,093)</u>
Opening net funds	189,301	954,394
CLOSING NET FUNDS	<u>109,176</u>	<u>189,301</u>

Happitots Day Nurseries Limited

MANAGEMENT INFORMATION

For The Year Ended 28 February 2011

HAPPITOTS DAY NURSERIES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2011

		2011		2010
	£	£	£	£
TURNOVER				
Fees		11,260,585		10,574,664
COST OF SALES				
Opening stock of finished goods	24,702		24,702	
Wages and salaries (excl. N.I.)	5,560,247		5,354,469	
Employer' NI contributions	322,189		322,969	
Pension Contributions	3,606		-	
Agency and casual staff	49,711		80,444	
Food and milk	334,285		330,411	
Toys and equipment	137,585		123,156	
	<u>6,432,325</u>		<u>6,236,151</u>	
Closing stock of finished goods	(24,702)		(24,702)	
		<u>(6,407,623)</u>		<u>(6,211,449)</u>
GROSS PROFIT	43.10%	4,852,962	41.26%	4,363,215
ADMINISTRATIVE EXPENSES		<u>(2,733,031)</u>		<u>(2,948,397)</u>
		2,119,931		1,414,818
OTHER OPERATING INCOME				
Rent receivable	6,384		6,384	
Sundry income	65,972		23,756	
Management fees	(1,817,430)		(2,238,776)	
		<u>(1,745,074)</u>		<u>(2,208,636)</u>
OPERATING PROFIT/(LOSS)		374,857		(793,818)
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME				
Bank interest - received		4,376		231
INTEREST PAYABLE				
Bank overdraft interest - paid		<u>(11,905)</u>		<u>(15,103)</u>
PROFIT/(LOSS) BEFORE TAXATION	3.26%	<u>367,328</u>	(7.77%)	<u>(808,690)</u>

HAPPITOTS DAY NURSERIES LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 28 FEBRUARY 2011

	2011	2010
	£	£
ADMINISTRATIVE EXPENSES		
Recruitment expenses	12,906	12,578
Staff training	19,108	18,505
Rent	1,175,881	1,105,550
Rates	223,753	214,428
Insurance	51,134	46,391
Light and heat	169,977	200,367
Repairs and maintenance	198,187	132,744
Cleaning	209,482	239,848
Printing, postage and stationery	81,544	94,476
Advertising	72,508	76,277
Computer costs	29,432	16,372
Telephone	30,980	27,148
Hire of equipment	14,964	10,556
Motor expenses	5,218	9,386
Travel and subsistence	50,058	45,782
Entertaining	11,175	9,512
Legal and professional fees	25,140	30,237
Accountancy	3,630	6,250
Audit fees	8,370	5,750
Bank charges	18,103	14,195
Bad and doubtful debts	8,066	178,527
Sundry expenses	29,561	24,441
Amortisation	53,980	273,084
Depreciation	219,914	143,497
Payroll costs	9,960	12,496
	2,733,031	2,948,397