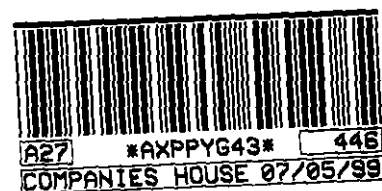


Reg

Company Registration No. 00910010 (England and Wales)

**THE AMERICAN COMMUNITY SCHOOL LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 JULY 1998**



# THE AMERICAN COMMUNITY SCHOOL LIMITED

## DIRECTORS AND ADVISERS

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### Directors

E J Poularas  
G E Speed  
G Waud  
B G Murphy

### Secretary

E J Poularas

### Company number

00910010

### Registered office

Heywood  
Portsmouth Road  
Cobham  
Surrey  
KT11 1BL

### Registered auditors

Fraser Russell  
Fairview House  
71-73 Woodbridge Road  
Guildford  
Surrey  
GU1 4YZ

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# THE AMERICAN COMMUNITY SCHOOL LIMITED

## CONTENTS

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	Page
Directors' report	1 - 2
Auditors' report	3
Consolidated profit and loss account	4
Balance sheets	5
Consolidated cash flow statement	6
Notes to the consolidated cash flow statement	7
Notes to the financial statements	8 - 17

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# THE AMERICAN COMMUNITY SCHOOL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1998

The directors present their report and financial statements for the year ended 31 July 1998.

### Directors

The following directors have held office since 1 August 1997:

E J Poularas  
G E Speed  
G Waud  
B G Murphy

### Principal activities and review of the business

The principal activity of the of the group was that of the operation of educational establishments.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

It is proposed that the retained profit of £2,645,285 is transferred to the group's reserves.

### Fixed assets

The significant changes in fixed assets during the year are explained in notes 9 and 10 to the financial statements.

### Directors' interests

The directors' beneficial interests in the shares of the company and other group companies were as stated below:

The American Community School Limited

	Ordinary shares of £1 each	
	31 July 1998	1 August 1997
E J Poularas	250,000	250,000
G E Speed	250,000	250,000
G Waud	-	-
B G Murphy	-	-

A C School Properties Limited

	Ordinary shares of £1 each	
	31 July 1998	26 February 1997
E J Poularas	-	-
G E Speed	-	-

### Directors' insurance

The group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the group.

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1998

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### Charitable contributions

During the year the group made charitable donations of £324,675 (1997 : £NIL)

### Employee involvement

The company actively encourages employees to participate in the continued success of the business.

It is the company policy to recruit disabled persons for appropriate vacancies. Once employed, whatever assistance is necessary in terms of training and career advancement is given.

### Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Fraser Russell be reappointed as auditors of the company will be put to the Annual General Meeting.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group 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 group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



E J Poularas

Director

13 January 1999

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF THE AMERICAN COMMUNITY SCHOOL LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### 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 and the group'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 and the group's affairs as at 31 July 1998 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Fraser Russell

Chartered Accountants  
Registered Auditor

13 January 1999

Fairview House  
71-73 Woodbridge Road  
Guildford  
Surrey  
GU1 4YZ

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1998

	Notes	1998 £	1997 £
Turnover	2	20,119,582	17,561,544
School expenses	(11,364,508)	(10,198,495)	
Administrative expenses	(5,275,534)	(4,517,839)	
		<u>(16,640,042)</u>	<u>(14,716,334)</u>
<b>Operating profit</b>		3,479,540	2,845,210
Other operating income		35,419	27,500
Other interest receivable and similar income	4	32,397	2,454
Interest payable and similar charges	5	(377,676)	(459,882)
<b>Profit on ordinary activities before taxation</b>	3	3,169,680	2,415,282
Tax on profit on ordinary activities	6	(524,395)	(942,018)
<b>Profit on ordinary activities after taxation</b>		2,645,285	1,473,264
Dividends	8	-	(40,000)
<b>Retained profit for the year</b>	17	<u>2,645,285</u>	<u>1,433,264</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## BALANCE SHEETS AS AT 31 JULY 1998

	Notes	Group 1998 £	1997 £	Company 1998 £	1997 £
<b>Fixed assets</b>					
Tangible assets	9	31,067,246	30,546,145	31,067,246	30,546,145
Investments	10	-	-	2	2
		<u>31,067,246</u>	<u>30,546,145</u>	<u>31,067,248</u>	<u>30,546,147</u>
<b>Current assets</b>					
Debtors	11	2,708,162	2,312,520	5,846,723	5,764,735
Cash at bank and in hand		2,291,010	996,844	1,826,879	532,689
		<u>4,999,172</u>	<u>3,309,364</u>	<u>7,673,602</u>	<u>6,297,424</u>
<b>Creditors: amounts falling due within one year</b>	12	(18,270,716)	(17,127,002)	(20,956,365)	(20,120,526)
<b>Net current liabilities</b>		<u>(13,271,544)</u>	<u>(13,817,638)</u>	<u>(13,282,763)</u>	<u>(13,823,102)</u>
<b>Total assets less current liabilities</b>		<u>17,795,702</u>	<u>16,728,507</u>	<u>17,784,485</u>	<u>16,723,045</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(5,757,500)	(6,571,750)	(5,757,500)	(6,571,750)
<b>Provisions for liabilities and charges</b>	14	(640,000)	(1,403,840)	(640,000)	(1,403,840)
		<u>11,398,202</u>	<u>8,752,917</u>	<u>11,386,985</u>	<u>8,747,455</u>
<b>Capital and reserves</b>					
Called up share capital	16	500,000	500,000	500,000	500,000
Revaluation reserve	17	368,958	368,958	368,958	368,958
Profit and loss account	17	10,529,244	7,883,959	10,518,027	7,878,497
<b>Shareholders' funds - equity interests</b>	18	<u>11,398,202</u>	<u>8,752,917</u>	<u>11,386,985</u>	<u>8,747,455</u>

The financial statements were approved by the board on 13th January 1999.



E J Poularas  
Director



# THE AMERICAN COMMUNITY SCHOOL LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1998

	1998 £	1997 £
<b>Net cash inflow from operating activities</b>	5,421,117	5,516,861
<b>Returns on investments and servicing of finance</b>		
Interest received	32,397	2,454
Interest paid	(377,676)	(459,882)
Rents receivable	35,419	-
<b>Net cash outflow for returns on investments and servicing of finance</b>	(309,860)	(457,428)
<b>Taxation</b>	(720,195)	(301,319)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(1,843,346)	(4,461,925)
Receipts from sales of tangible assets	10,700	2,600
<b>Net cash outflow for capital expenditure</b>	(1,832,646)	(4,459,325)
<b>Equity dividends paid</b>	-	(40,000)
<b>Net cash inflow before management of liquid resources and financing</b>	2,558,416	258,789
<b>Financing</b>		
New debenture loan	435,750	411,750
New long term bank loan	-	1,000,000
Other new short term loans	-	500,000
Repayment of long term bank loan	(1,250,000)	(1,200,000)
Repayment of other short term loans	(450,000)	-
<b>Net cash (outflow)/inflow from financing</b>	(1,264,250)	711,750
<b>Increase in cash in the year</b>	1,294,166	970,539

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1998

1	Reconciliation of operating profit to net cash inflow from operating activities	1998	1997
		£	£
	Operating profit	3,479,540	2,872,710
	Depreciation of tangible assets	1,322,245	1,177,596
	Profit on disposal of tangible assets	(10,700)	(2,600)
	Increase in debtors	(395,642)	(358,405)
	Increase in creditors within one year	1,025,674	1,827,560
	<b>Net cash inflow from operating activities</b>	<b>5,421,117</b>	<b>5,516,861</b>

2	Analysis of net debt	1 August 1997	Cash flow	Other non-cash changes	31 July 1998
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	996,844	1,294,166		2,291,010
	Debt:				
	Debts falling due within one year	(1,700,000)	450,000	-	(1,250,000)
	Debts falling due after one year	(6,571,750)	814,250	-	(5,757,500)
		(8,271,750)	1,264,250	-	(7,007,500)
	<b>Net debt</b>	<b>(7,274,906)</b>	<b>2,558,416</b>	<b>-</b>	<b>(4,716,490)</b>

3	Reconciliation of net cash flow to movement in net debt	1998	1997
		£	£
	Increase in cash in the year	1,294,166	970,539
	Cash outflow/(inflow) from decrease/(increase) in debt	1,264,250	(711,750)
	<b>Movement in net debt in the year</b>	<b>2,558,416</b>	<b>258,789</b>
	Opening net debt	(7,274,906)	(7,533,695)
	<b>Closing net debt</b>	<b>(4,716,490)</b>	<b>(7,274,906)</b>

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

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### 1 Accounting policies

#### 1.1 Accounting convention

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

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 July 1998. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over ten, twenty-five and fifty years
Fixtures, fittings & equipment	15 - 25% Straight line
Motor vehicles	25% Straight line

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.10 Fees in advance

Fees in advance represent the following year's tuition and bussing fees invoiced in the current financial year.

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 1.11 Bussing income and expenditure

It is the company's policy to provide a bussing service for all those pupils who require it. The charge is set at a level designed to recoup the cost of providing such a service. Therefore the income and expenditure derived from this activity are offset in the company's accounts.

### 2 Turnover

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

3	Operating profit	1998	1997
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	1,322,245	1,177,596
	Auditors' remuneration (company £18,800; 1997 : £18,800)	19,300	18,800

4	Other interest receivable and similar income	1998	1997
		£	£
	Bank interest	29,116	2,454
	Other interest	3,281	-
		32,397	2,454

5	Interest payable	1998	1997
		£	£
	Bank interest	154,249	146,378
	Loan interest	145,913	271,865
	Other interest	44,514	41,639
	On overdue tax	33,000	-
		377,676	459,882

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 6 Taxation

	£	£
<b>U.K. current year taxation</b>		
U.K. corporation tax at 31% (1997 - 31%)	1,002,040	668,008
Deferred taxation	(763,840)	274,010
	<u>238,200</u>	<u>942,018</u>
<b>Prior years</b>		
U.K. Corporation tax	286,195	-
	<u>524,395</u>	<u>942,018</u>

### 7 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	1998 £	1997 £
Holding company's profit for the financial year	<u>2,639,530</u>	<u>1,467,802</u>

### 8 Dividends

	1998 £	1997 £
Ordinary interim paid	<u>-</u>	<u>40,000</u>

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

9	Tangible fixed assets Group & Company	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
		£	£	£	£
	<b>Cost or valuation</b>				
	At 1 August 1997	31,022,881	5,016,890	422,183	36,461,954
	Adjustment to cost	(884,643)	-	-	(884,643)
	Additions	1,541,612	1,118,143	68,234	2,727,989
	Disposals	-	(394,516)	(79,137)	(473,653)
	At 31 July 1998	31,679,850	5,740,517	411,280	37,831,647
	<b>Depreciation</b>				
	At 1 August 1997	1,725,920	3,849,392	340,497	5,915,809
	Adjustment to depreciation	(17,692)	-	-	(17,692)
	On disposals	-	(394,516)	(79,137)	(473,653)
	Charge for the year	654,093	631,231	54,613	1,339,937
	At 31 July 1998	2,362,321	4,086,107	315,973	6,764,401
	<b>Net book value</b>				
	At 31 July 1998	29,317,529	1,654,410	95,307	31,067,246
	At 31 July 1997	29,296,961	1,167,498	81,686	30,546,145

The properties at Cobham and Hillingdon were revalued on 29 September 1994 by Gerald Eve, Chartered Surveyors, on the basis of open market for current use. The valuation was incorporated in the financial statements for 1995.

Included in land and buildings is freehold land valued at £3,400,000 which is not depreciated.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

Adjustment to the cost of the previous years' freehold additions relates to the VAT on a number of developments that the company successfully recovered from H M Customs & Excise in the year ended 31 July 1998.

The historical cost of assets included at valuation at the balance sheet date is £34,784,391 (1997 : £33,414,698). Included in the historical cost is property valued professionally in 1981 at £2,850,000, including land not depreciated of £935,000. At the balance sheet date there was no material difference between the historical cost depreciation and the actual depreciation charged in the accounts.

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 10 Fixed asset investments

#### Company

Cost or valuation

At 1 August 1997 & 31 July 1998 2

At 1 August 1997 2

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than that included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation		Shares held	
			Class	%
Subsidiary undertakings				
A C School Properties Limited	UK	UK	Ordinary	100

The principal activity of the above company is the leasing of properties for educational purposes.

### 11 Debtors

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Trade debtors	2,391,822	2,188,835	2,391,822	2,188,835
Amounts owed by group undertakings	-	-	3,087,863	3,087,863
Other debtors	239,945	34,208	239,940	34,184
Prepayments and accrued income	76,395	89,477	127,098	453,853
	<u>2,708,162</u>	<u>2,312,520</u>	<u>5,846,723</u>	<u>5,764,735</u>

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

	1998	1997	1998	1997
	£	£	£	£
Amounts owed by group undertakings	-	-	3,087,863	3,087,863

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 12 Creditors : amounts falling due within one year

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Bank loans and overdrafts	1,250,000	1,700,000	1,250,000	1,700,000
Payments received on account	1,290,244	1,057,978	1,290,244	1,057,978
Trade creditors	78,705	123,198	78,705	123,198
Corporation tax	1,208,040	640,000	1,203,000	640,000
Taxes and social security costs	349,250	721,245	349,250	721,245
Directors current accounts	859,700	1,028,486	859,700	1,028,486
Other creditors	769,623	444,764	769,623	444,764
Accruals	695,635	1,022,010	3,386,324	4,015,534
Deferred income	11,769,519	10,389,321	11,769,519	10,389,321
	<u>18,270,716</u>	<u>17,127,002</u>	<u>20,956,365</u>	<u>20,120,526</u>
Debt due within one year	<u>1,250,000</u>	<u>1,700,000</u>	<u>1,250,000</u>	<u>1,700,000</u>

Included in the directors' current account balance is an amount of £850,000 (1997 : £1,000,000) loaned to the company by G E Speed. The loan is repayable in full on demand, and interest is payable at 5% per annum.



# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 13 Creditors : amounts falling due after more than one year

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Debenture loans	4,807,500	4,371,750	4,807,500	4,371,750
Bank loans	950,000	2,200,000	950,000	2,200,000
	<u>5,757,500</u>	<u>6,571,750</u>	<u>5,757,500</u>	<u>6,571,750</u>
<b>Analysis of loans</b>				
Debentures	4,807,500	4,371,750	4,807,500	4,371,750
Wholly repayable within five years	2,200,000	3,900,000	2,200,000	3,900,000
	<u>7,007,500</u>	<u>8,271,750</u>	<u>7,007,500</u>	<u>8,271,750</u>
Included in current liabilities	(1,250,000)	(1,700,000)	(1,250,000)	(1,700,000)
	<u>5,757,500</u>	<u>6,571,750</u>	<u>5,757,500</u>	<u>6,571,750</u>
Between one and two years	950,000	2,200,000	950,000	2,200,000
In five years or more	4,807,500	4,371,750	4,807,500	4,371,750
	<u>5,757,500</u>	<u>6,571,750</u>	<u>5,757,500</u>	<u>6,571,750</u>

During the year the company issued 1,743 debentures of £250 each (1997 : 1,647 debentures of £250 each).

The third issue debentures are unsecured and repayable on the 25th anniversary of the date of issue. This issue comprised 827 debentures of £250 each all issued between April and June 1984.

The fifth issue debentures are unsecured and repayable by the company giving debenture holders not less than one months notice of its intention to repay the principal sum. As at 31 July 1998 this issue comprised 18,403 debentures of £250 each (1997 : 16,660 debentures of £250 each).

The three bank loans are secured by a fixed charge over all the company's freehold properties.

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 14 Provisions for liabilities and charges Group

Deferred  
taxation  
£

Balance at 1 August 1997	1,403,840
Profit and loss account	(763,840)
	<hr/>
Balance at 31 July 1998	640,000
	<hr/>

### Company

Balance at 1 August 1997	1,403,840
Profit and loss account	(763,840)
	<hr/>
Balance at 31 July 1998	640,000
	<hr/>

### 15 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £95,817 (1997 - £57,850). All contributions were paid in the year.

16 Share capital	1998	1997
	£	£
<b>Authorised</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 17 Statement of movements on reserves

#### Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 August 1997	368,958	7,883,959
Retained profit for the year	-	2,645,285
Balance at 31 July 1998	368,958	10,529,244

#### Company

	Revaluation reserve £	Profit and loss account £
Balance at 1 August 1997	368,958	7,878,497
Retained profit for the year	-	2,639,530
Balance at 31 July 1998	368,958	10,518,027

### 18 Reconciliation of movements in shareholders' funds

#### Group

	1998 £	1997 £
Profit for the financial year	2,645,285	1,473,264
Dividends	-	(40,000)
Net addition to shareholders' funds	2,645,285	1,433,264
Opening shareholders' funds	8,752,917	7,319,653
Closing shareholders' funds	11,398,202	8,752,917

# THE AMERICAN COMMUNITY SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

### 20 Capital commitments

	Group 1998 £	1997 £	Company 1998 £	1997 £
Contracted for but not provided in the financial statements	1,160,968	1,502,596	1,160,968	1,502,596
	<u>1,160,968</u>	<u>1,502,596</u>	<u>1,160,968</u>	<u>1,502,596</u>

### 21 Employees

#### Number of employees

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

	1998 Number	1997 Number
Executive directors	2	2
Others	444	421
	<u>446</u>	<u>423</u>

#### Employment costs

	£	£
Directors' remuneration	425,000	330,966
Wages and salaries	7,773,418	7,413,824
Social security costs	1,015,040	888,106
Other pension costs	95,817	45,850
	<u>9,309,275</u>	<u>8,678,746</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (1997 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>237,500</u>	<u>162,000</u>
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### 22 Related party transactions

#### Group & Company

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 to dispense with the requirement to make disclosures concerning related parties.