

OUNDLE SCHOOL BUILDING COMPANY LIMITED
(Registered Number 1093289)

DIRECTORS' REPORT AND ACCOUNTS
31 AUGUST 2001



OUNBLE SCHOOL BUILDING COMPANY LIMITED

YEAR ENDED 31 AUGUST 2001

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OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

DIRECTORS

J.B.Farnsworth
D H Harris
J.Whitmore (resigned 31 August 2001)
S Pott (appointed 11 October 2001)
I L Schmiegelow (appointed 11 October 2001)

SECRETARY

L.Simpson F.C.C.A.

REGISTERED OFFICE

Oundle School, The Bursar's Office, Church Street, Oundle, Peterborough. PE8 4EE

REVIEW OF THE BUSINESS

The Company's principal activity is to carry out general building work on behalf of the Oundle School and to develop and sell land acquired from Oundle School.

RESULTS AND DIVIDEND

The Company made a profit for the year of £456,806 (2000 profit £1,243,669). The Directors do not recommend the payment of a dividend (2000 £Nil). The profit for the year has been transferred to reserves.

DIRECTORS

The present Directors are shown above.

DIRECTOR'S INTERESTS

Mr D.H.Harris held the shares in the Company in his capacity as nominee for the Governing Body of Oundle School.

OUNBLE SCHOOL BUILDING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

STATEMENT OF 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 Company and of the profit or loss of the Company 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 Company 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 Company to enable them to ensure that the financial statements comply with the Companies Act 1985. They also are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, PricewaterhouseCoopers, are willing to be re-appointed.

On behalf of the Board

L. Simpson

L.SIMPSON
Secretary
27 November 2001

PricewaterhouseCoopers
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Leicester LE1 6TE
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AUDITORS' REPORT TO THE SHAREHOLDERS OF OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom Accounting Standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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 affairs as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

27 November 2001

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

| | 31st August 2001 £ | Restated 31st August 2000 £ |
|---|-----------------------|-----------------------------------|
| TURNOVER (note 2) | 1,882,448 | 2,357,262 |
| Cost of sales | (1,456,965) | (1,144,339) |
| GROSS PROFIT | <u>425,483</u> | <u>1,212,923</u> |
| Rental received | 39,200 | 38,410 |
| Administrative expenses | (4,715) | (7,636) |
| OPERATING PROFIT (Note 3) | <u>459,968</u> | <u>1,243,697</u> |
| Interest payable | (210) | (496) |
| Interest receivable | 48 | 468 |
| PROFIT BEFORE TAX | <u>459,806</u> | <u>1,243,669</u> |
| Taxation | (3,000) | - |
| PROFIT AFTER TAX | <u>456,806</u> | <u>1,243,669</u> |
| Covenant to Oundle School | (507,850) | (1,420,396) |
| TRANSFER FROM RESERVES (Note 12) | <u>(51,044)</u> | <u>(176,727)</u> |

There were no recognised gains or losses in the year, other than the retained profit for the year as shown above. After taking into account the prior year adjustment of £37,633, gains recognised since the last annual report amounted to £494,439 (profit after tax £456,806 plus prior year adjustment £37,633). All activities are continuing.

The notes on pages 6 to 9 form part of these accounts..

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

BALANCE SHEET AS AT 31 AUGUST 2001

| | 31st August 2001 £ | restated 31st August 2000 £ |
|---|-----------------------|-----------------------------------|
| FIXED ASSETS | | |
| Tangible assets (note 7) | 1,279,689 | 1,279,689 |
| CURRENT ASSETS | | |
| Assets held for resale (note 8) | 1,171,440 | 1,020,714 |
| Debtors (note 9) | 31,408 | 1,302 |
| Cash at bank | 150,020 | 113 |
| | <u>1,352,868</u> | <u>1,022,129</u> |
| CURRENT LIABILITIES | | |
| Creditors - amounts falling due within one year (note 10a) | (1,921,873) | (1,540,092) |
| NET CURRENT ASSETS LESS LIABILITIES | <u>(569,005)</u> | <u>(517,963)</u> |
| Creditors - amounts falling due after one year (note 10b) | (140,167) | (140,165) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u><u>570,517</u></u> | <u><u>621,561</u></u> |
| CAPITAL RESERVES | | |
| Share capital (note 11) | 570,517 | 570,517 |
| Profit and loss account (note 12) | - | 51,044 |
| | <u><u>570,517</u></u> | <u><u>621,561</u></u> |

APPROVED BY THE BOARD OF DIRECTORS ON
27 NOVEMBER 2001


D.H. HARRIS, DIRECTOR

The notes on pages 6 to 9 form part of these accounts.

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2001

1 ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards. A cashflow statement is not prepared on the grounds that the Company qualifies as small.

(b) Fixed Assets

The policy for the depreciation of buildings has been brought into line with that in Oundle School, where no depreciation is charged, as the Company considers that the buildings have an indefinite life due to the on-going maintenance programme. Prior year depreciation has been restated as a prior year adjustment (Note 12).

(c) Leased Assets

The buildings are leased to Oundle School on a 20-year term under an operating lease. The buildings are carried in tangible fixed assets and the rental income is recognised as it falls due.

(d) Capitalised Interest

Interest is capitalised on specific and identifiable borrowings taken to finance buildings contracts or development work. The interest cost is amortised in line with the income generated by the project.

2 TURNOVER

Turnover excludes VAT.

3 AUDITORS' REMUNERATION

The operating profit is stated after charging auditors' remuneration of £1,800 (2000 : £1,765).

4 COVENANT TO OUNDLE SCHOOL

The Company has covenanted to pay Oundle School its profits liable to corporation tax subject to the availability of sufficient distributable reserves.

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2001

5 DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments for their services to the Company.

6 TAXATION

| | 2001 £ | 2000 £ |
|-----------------|--------------|-----------|
| Corporation Tax | <u>3,000</u> | <u>-</u> |

Taxation has been provided at 15% on profits not covered by distributable reserves, which have been covenanted to Oundle School.

7 TANGIBLE FIXED ASSETS

| | Freehold Land £ | Long Leasehold Land £ | Buildings £ | Total £ |
|---|-----------------------|--------------------------------|------------------|------------------|
| Cost at 1 September 2000 | 30,671 | 30,000 | 1,219,018 | 1,279,689 |
| Additions | - | - | - | - |
| Cost at 31 August 2001 | <u>30,671</u> | <u>30,000</u> | <u>1,219,018</u> | <u>1,279,689</u> |
| Net book value at 31 August 2001 | <u>30,671</u> | <u>30,000</u> | <u>1,219,018</u> | <u>1,279,689</u> |
| Net book value at 31 August 2000 (restated) | <u>30,671</u> | <u>30,000</u> | <u>1,219,018</u> | <u>1,279,689</u> |

8 ASSETS HELD FOR RESALE

| | <u>Land and Development Costs</u> £ |
|--------------------------------------|--|
| Cost at 1 September 2000 | 1,020,714 |
| Additions | 401,066 |
| Disposals | (182,380) |
| Amortisation of capitalised interest | (67,960) |
| Cost at 31 August 2001 | <u>1,171,440</u> |

OUNDLE SCHOOL BUILDING COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2001

9 DEBTORS

| | <u>2001</u> £ | <u>2000</u> £ |
|--------------------------------------|------------------|------------------|
| Trade debtors due from Oundle School | 25,003 | 1,302 |
| Called up share capital not paid | 2 | - |
| Other debtors | 5 | - |
| VAT | 6,398 | - |
| | <u>31,408</u> | <u>1,302</u> |

10 CREDITORS

a) amounts falling due within one year

| | <u>2001</u> £ | <u>2000</u> £ |
|----------------------|------------------|------------------|
| Bank loan | 150,000 | 13,082 |
| Trade creditors | 202,641 | 20,999 |
| Due to Oundle School | 1,561,076 | 1,473,695 |
| VAT | - | 25,216 |
| Corporation tax | 3,000 | - |
| Accruals | 5,156 | 7,100 |
| | <u>1,921,873</u> | <u>1,540,092</u> |

b) amounts falling due after one year

| | <u>2001</u> £ | <u>2000</u> £ |
|------------------------------|------------------|------------------|
| VAT (leasebacks) | | |
| - between one and two years | 17,520 | 17,520 |
| - between two and five years | 52,562 | 52,562 |
| - after five years | 70,085 | 70,083 |
| | <u>140,167</u> | <u>140,165</u> |

VAT is repayable in instalments to HM Customs and Excise in accordance with the Finance Act 1999 option to tax legislation.

11 CALLED UP SHARE CAPITAL

| | <u>2001</u> £ | <u>2000</u> £ |
|--------------------------------------|------------------|------------------|
| Authorised 600,000 shares of £1 each | <u>600,000</u> | <u>600,000</u> |
| Called up share capital of £1 each | <u>570,517</u> | <u>570,517</u> |

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2001

12 PROFIT AND LOSS ACCOUNT

| | |
|--|-----------------|
| Balance at 1st September 2000 as previously stated | 13,411 |
| Prior year adjustment | 37,633 |
| | <u>51,044</u> |
| Retained loss for the year | (51,044) |
| Balance at 31st August 2001 | <u><u>-</u></u> |

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | <u>2001</u> £ | <u>2000</u> £ |
|--|--------------------------------|--------------------------------|
| Retained loss for the year | <u>(51,044)</u> | <u>(176,727)</u> |
| Opening shareholders' funds as previously reported | 583,928 | 781,801 |
| Prior year adjustment | 37,633 | 16,487 |
| Opening shareholders' funds restated | <u>621,561</u> | <u>798,288</u> |
| Closing shareholders' funds | <u><u>570,517</u></u> | <u><u>621,561</u></u> |

The brought forward balance has been restated by the prior year adjustment amounting to £37,633 (note 1b). Of this amount, £21,146 related to the year ended 31 August 2000 and the profit and loss account has been restated. The balance of £16,487 related to the year ended 31 August 1999.

14 CONNECTED PARTY

The Company is considered to be a subsidiary of Oundle School, The Bursar's Office, Church Street, Oundle, Peterborough. PE8 4EE. The Governing Body of Oundle School has the authority to make appointments to the Board of Directors of the Company. Oundle School produces consolidated accounts which include the Company.