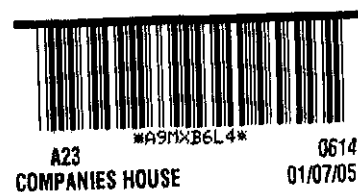


OUNDLE SCHOOL BUILDING COMPANY LIMITED

Annual report and financial statements for the year ended 31 August 2004

Registered number: 1093289



OUNDLE SCHOOL BUILDING COMPANY LIMITED

Annual report and financial statements for the year ended 31 August 2004

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OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

Directors, officers and advisers

Directors

D H Harris - resigned 31 December 2003
I L Schmiegelow
P Hutton - appointed 14 June 2004
R G Allinson - appointed 14 June 2004

Officers

Secretary

L Simpson

Advisers

Bankers

Barclays Bank plc
Mortlock House
PO Box 885
HISTON
Cambridgeshire
CB4 9DE

Royal Bank of Scotland plc
14-15 Hereward Cross
PETERBOROUGH
PE1 1TB

Solicitors

Buckle Mellows
35/45-51 Priestgate
PETERBOROUGH
PE1 1LB

Hunt and Coombs
35 Thorpe Road
PETERBOROUGH
PE3 6AG

Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
BIRMINGHAM
B3 2DT

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

Directors' report for the year ended 31 August 2004

Review of the business

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

During the year the Company carried out a similar level of general building work to the previous year. The refurbishment of the swimming pool was completed during the year. Work on the extension to Laxton House was in progress at the end of the year.

The Company is expecting to carry out a similar level of general building work during the coming year as in previous years.

Results and distributions

The Company made a loss for the year of £171,727 (2003: loss £187,492). The Directors do not recommend the payment of a dividend (2003: nil). The loss for the year (2003: loss) has been transferred from reserves. The profit and loss account for the year is set out on page 5 of the financial statements.

Directors' interests

Mr I L Schmiegelow and Mr D H Harris held shares in the Company in their capacity as nominees for the Governing Body of Oundle School as at 31 August 2004.

Directors' responsibilities

The Directors are required by company law 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 surplus or deficit of the Company as at the end of the financial year.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 August 2004. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

Directors' report for the year ended 31 August 2004 (continued)

Directors' responsibilities (continued)

The Directors are responsible for keeping proper accounting records that 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 1985. The Directors 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.

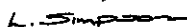
Assets held for resale

The Directors consider that there is no significant difference between the cost and the market value of land held for resale.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

Approved by the Directors on 30 November 2004
and signed on their behalf by:



Miss L Simpson
Secretary

Registered Office

Oundle School Building Company Limited
The Bursar's Office
Church Street
Oundle
PETERBOROUGH
PE8 4EE

Independent auditors' report to the members of Oundle School Building Company Limited for the year ended 31 August 2004

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of the Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevancy legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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. The other information comprises only the Directors' report.


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 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 and the auditable part of the Directors' remuneration report 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Birmingham



OUNDLE SCHOOL BUILDING COMPANY LIMITED

Profit and loss account for the year ended 31 August 2004

	Notes	2004 £	2003 £
Turnover	2	1,011,977	1,503,909
Cost of sales		(987,250)	(1,467,228)
Gross Profit		24,727	36,681
Operating lease rentals		39,200	39,200
Administrative expenses	3	(12,617)	(4,364)
Profit on ordinary activities before interest and taxation		51,310	71,517
Interest receivable		51	43
Interest payable		(223,088)	(259,052)
Loss on ordinary activities before taxation		(171,727)	(187,492)
Taxation		-	-
Loss on ordinary activities after taxation		(171,727)	(187,492)
Covenant to Oundle School	4	-	-
Loss for the financial year	14	(171,727)	(187,492)

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

There are no recognised gains or losses in the year, other than the loss for the year as shown above.

All activities are continuing.

The notes on pages 7 to 11 form part of these accounts.

OUNBLE SCHOOL BUILDING COMPANY LIMITED

Balance sheet as at 31 August 2004

	Notes	2004 £	2003 £
Fixed assets	9	1,281,195	1,281,195
Current assets			
Assets held for resale	10	770,375	770,375
Debtors	11	758,630	1,233,451
Cash		111,378	200,740
		1,640,383	2,204,566
Current liabilities			
Creditors – amounts falling due within one year	12	(695,990)	(658,955)
Net current assets		944,393	1,545,611
Creditors – amounts falling due after one year			
- bank loan	12	(1,936,403)	(2,348,373)
- value added tax	12	(87,604)	(105,125)
Total assets less liabilities		201,581	373,308
Capital and reserves			
Share capital	13	570,517	570,517
Profit and loss account	14	(368,936)	(197,209)
Equity shareholders' funds		201,581	373,308

The notes on pages 7 to 11 form part of these accounts.

Approved by the Directors on 30 November 2004
And signed on its behalf by:



Mr I L Schmiegelow
Director



Mr R G Allinson
Director

OUNDLLE SCHOOL BUILDING COMPANY LIMITED

Notes to the financial statements for the year ended 31 August 2004

1. Principal accounting policies

The financial statements have been prepared in accordance with the historical cost convention and applicable accounting standards. The Company qualifies as a small company under the Companies Act 1995 and an advantage has been taken of the exemption under FRS1 not to prepare a cash flow statement.

Fixed assets

Fixed assets are recorded at cost. Freehold buildings are not depreciated as the Company considers the buildings to be maintained in such a condition that the residual values are not materially different from the book values and hence a nil depreciation charge is made.

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.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax and is recognised on an accruals basis.

3. Administrative expenses

The operating profit is stated after charging auditors' remuneration of £1,975 (2003: £1,925). Fees for other accounting services provided during the year were £800 (2003: £2,350).

4. Covenant to Oundle School

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

5. Directors' emoluments

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

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

Notes to the financial statements for the year ended 31 August 2004 (continued)

6. Employee information

There were no employees during the year (2003: nil).

7. Interest payable

All interest payable relates to bank loans and overdrafts.

8. Taxation

	2004 £	2003 £
Corporation tax	-	-

9. Tangible fixed assets

	Freehold land £	Long leasehold land £	Buildings £	Total £
Cost at 1 September 2003	30,671	30,000	1,220,524	1,281,195
Additions	-	-	101,147	101,147
Transfer to Oundle School	-	-	(101,147)	(101,147)
Cost at 31 August 2004	30,671	30,000	1,220,524	1,281,195

At 31 August 2004 committed capital expenditure amounted to £57,000 (2003: £418,000).

10. Assets held for resale

	Land and development costs £
Cost at 1 September 2003	770,375
Cost at 31 August 2004	770,375

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

Notes to the financial statements for the year ended 31 August 2004 (continued)

11. Debtors

	2004 £	2003 £
Amount due from Oundle School	741,573	1,233,442
Called up share capital not paid	2	2
Other debtors	17,055	7
Value added tax	-	-
Total debtors	758,630	1,233,451

12. Creditors – amounts falling due within one year

	2004 £	2003 £
Bank loan	615,605	565,000
Bank overdraft	156	-
Trade creditors	-	12,761
Amount owing to Oundle School	-	-
Value added tax	41,103	19,481
Corporation tax	3,000	3,000
Accruals	36,127	58,713
Total creditors falling due within one year	695,991	658,955

Creditors – amounts falling due after one year

	2004 £	2003 £
Bank loan – between one and two years	615,605	615,605
- between two and five years	923,408	923,408
- after five years	397,390	809,360
Total bank loan	1,936,403	2,348,373

The bank loan is guaranteed by Oundle School. Interest on the loan is at a fixed rate of 0.8% above LIBOR, fixed over the period of the loan by hedging arrangements.

OUNDLER SCHOOL BUILDING COMPANY LIMITED

Notes to the financial statements for the year ended 31 August 2004 (continued)

12. Creditors – amounts falling due after one year (continued)

	2004 £	2003 £
VAT - between one and two years	17,521	17,521
- between two and five years	52,563	52,563
- after five years	17,520	35,041
Total Value added tax	87,604	105,125

Value added tax is repayable in instalments to HM Customs and Excise in accordance with the Finance Act 1999 budget changes on the option to tax legislation.

13. Called up share capital

	2004 £	2003 £
Authorised 600,000 shares of £1 each	600,000	600,000
Called up share capital of £1 each	570,517	570,517

14. Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Result for the financial period	(171,727)	(187,492)
Covenants	-	-
Profit and loss balance brought forward	(171,727)	(187,492)
	(197,209)	(9,717)
Profit and loss balance carried forward	(368,936)	(197,209)
Share capital	570,517	570,517
Closing shareholders' funds	201,581	373,308

OUNDLÉ SCHOOL BUILDING COMPANY LIMITED

Notes to the financial statements for the year ended 31 August 2004 (continued)

15. Reserves

	Profit and Loss account £
at 1 September 2003	(197,209)
Loss for the year	(171,727)
at 31 August 2004	(368,936)

16. Related parties

The Company has taken advantage of the exemption under FRS8 relating to 90% subsidiary undertakings and has not disclosed details of transactions within Oundle School.

17. Ultimate holding undertaking

The Company is a subsidiary of Oundle School (registered charity number 309921), The Bursar's Office, Church Street, Oundle, Peterborough PE8 4EE.