

Registered number: 1594513

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## TASIS UK LIMITED

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### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2005



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## TASIS UK LIMITED

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## TASIS UK LIMITED

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### COMPANY INFORMATION

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**DIRECTORS**

F L Gonzalez  
L F Aeschlimann  
W T Fleming (appointed 07/11/2005)

**SECRETARY**

Broadway Secretaries Limited

**COMPANY NUMBER**

1594513

**REGISTERED OFFICE**

Coldharbour Lane  
Thorpe  
Surrey  
TW20 8TE

**AUDITORS**

Gibson Appleby  
Chartered Accountants & Registered Auditor  
Blenheim House  
120 Church Street  
Brighton  
East Sussex  
BN1 1AU

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# **TASIS UK LIMITED**

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## **DIRECTORS' REPORT** **For the year ended 30 June 2005**

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The directors present their report and the financial statements for the year ended 30 June 2005.

### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The group's principal activity is the operation of an independent fee-paying school based in the UK, offering education under the American system. The company's principal activity is that of a holding company.

Although the group made a loss for the year, the directors anticipate profits for the coming year.

### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £39,177 (2004 - Profit £160,594) .

The directors do not recommend the payment of a dividend.

### **DIRECTORS**

The directors who served during the year were:

F L Gonzalez

L F Aeschlimann

None of the directors had any beneficial interest in the company during the year.

### **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 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;
- 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 company and 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 company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

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## TASIS UK LIMITED

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### DIRECTORS' REPORT For the year ended 30 June 2005

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#### AUDITORS

The auditors, Gibson Appleby, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on

10.3.06

and signed on its behalf.



Broadway Secretaries Limited  
Secretary

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## **TASIS UK LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TASIS UK LIMITED**

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We have audited the financial statements of TASIS UK Limited for the year ended 30 June 2005 set out on pages 5 to 17. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards

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 group 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 with the company and other members of the Group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, 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.

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## TASIS UK LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TASIS UK LIMITED

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#### OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 June 2005 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.

*Gibson Appleby*

#### Gibson Appleby

Chartered Accountants  
Registered Auditor  
Blenheim House  
120 Church Street  
Brighton  
East Sussex  
BN1 1AU

Date: 16 April 2006

# TASIS UK LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 30 June 2005

	Note	2005 £	2004 £
<b>TURNOVER</b>	1,2	<b>12,466,330</b>	<b>11,774,965</b>
Cost of sales		<b>(7,401,563)</b>	<b>(6,904,574)</b>
<b>GROSS PROFIT</b>		<b>5,064,767</b>	<b>4,870,391</b>
Selling and distribution costs		<b>(1,547,273)</b>	<b>(1,375,018)</b>
Administrative expenses		<b>(3,842,587)</b>	<b>(3,618,737)</b>
<b>OPERATING LOSS</b>	3	<b>(325,093)</b>	<b>(123,364)</b>
<b>EXCEPTIONAL ITEMS</b>			
Net profit on sale of tangible fixed assets	7	-	119,712
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(325,093)</b>	<b>(3,652)</b>
Interest receivable	6	<b>295,795</b>	<b>252,558</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(29,298)</b>	<b>248,906</b>
<b>TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	8	<b>(9,879)</b>	<b>(88,312)</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(39,177)</b>	<b>160,594</b>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<b>2,431,425</b>	<b>2,270,831</b>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>£ 2,392,248</b>	<b>£ 2,431,425</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2005 or 2004 other than those included in the profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

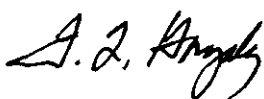


# TASIS UK LIMITED

## CONSOLIDATED BALANCE SHEET As at 30 June 2005

	Note	£	2005 £	£	2004 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		423,214		466,038
<b>CURRENT ASSETS</b>					
Debtors	11	9,120,793		8,395,269	
Cash at bank and in hand		1,275,020		369,574	
		<u>10,395,813</u>		<u>8,764,843</u>	
<b>CREDITORS:</b> amounts falling due within one year	12	(8,416,779)		(6,789,456)	
<b>NET CURRENT ASSETS</b>			<u>1,979,034</u>		<u>1,975,387</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>£ 2,402,248</u></u>		<u><u>£ 2,441,425</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			10,000		10,000
Profit and loss account			2,392,248		2,431,425
<b>SHAREHOLDERS' FUNDS - ALL EQUITY</b>	14		<u><u>£ 2,402,248</u></u>		<u><u>£ 2,441,425</u></u>

The financial statements were approved by the board on 10.3.06 and signed on its behalf.



**F L Gonzalez**  
Director

The notes on pages 9 to 17 form part of these financial statements.

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**TASIS UK LIMITED**

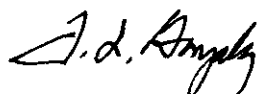
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**COMPANY BALANCE SHEET**  
**As at 30 June 2005**

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	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Investments	10	<u>10,000</u>	<u>10,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>£ 10,000</b></u>	<u><b>£ 10,000</b></u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	13	<u>10,000</u>	<u>10,000</u>
<b>SHAREHOLDERS' FUNDS - All Equity</b>	14	<u><b>£ 10,000</b></u>	<u><b>£ 10,000</b></u>

The financial statements were approved by the board on **10.3.06** and signed on its behalf.



**F L Gonzalez**  
Director

The notes on pages 9 to 17 form part of these financial statements.

# TASIS UK LIMITED

## CASH FLOW STATEMENT For the year ended 30 June 2005

	Note	2005 £	2004 £
Net cash flow from operating activities	15	890,030	(729,223)
Returns on investments and servicing of finance	16	295,795	252,558
Taxation		(114,952)	(111,663)
Capital expenditure and financial investment	16	(165,427)	199,973
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>£ 905,446</b>	<b>£ (388,355)</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS For the year ended 30 June 2005

	2005 £	2004 £
Increase/(Decrease) in cash in the year	905,446	(388,355)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>905,446</b>	<b>(388,355)</b>
Net funds at 1 July 2004	369,574	757,929
<b>NET FUNDS AT 30 JUNE 2005</b>	<b>£ 1,275,020</b>	<b>£ 369,574</b>

The notes on pages 9 to 17 form part of these financial statements.

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# TASIS UK LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 1.2 Basis of consolidation

The financial statements consolidate the accounts of TASIS UK Limited and all of its subsidiary undertakings ('subsidiaries'). All intra group transactions have been eliminated on consolidation.

#### 1.3 Investments

Share in subsidiaries are valued at cost less provision for permanent impairment.

#### 1.4 Turnover

Turnover represents the total amount of fees, including extras, receivable in respect of services provided to students during the year.

#### 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	33%	reducing balance
Office equipment	-	33%	reducing balance

#### 1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

#### 1.7 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

#### 1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

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## TASIS UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.10 Bad debts

Term fees are generally payable in advance. Amounts outstanding at the end of the financial year, which also represents the end of the school year, where appropriate, have been fully provided against.

#### 2. TURNOVER

The whole of the turnover is attributable to fees for offering education.

All turnover arose within the United Kingdom.

#### 3. OPERATING LOSS

The Operating loss is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets:		
- owned by the company	208,251	153,465
Auditors' remuneration	22,448	21,286
Difference on foreign exchange	24,120	9,352
	<hr/>	<hr/>

Auditors fees for the Company were £1,000 (2004:£1,000)

# TASIS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

### 4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2005 £	2004 £
Wages and salaries	5,035,420	4,477,795
Social security costs	528,937	477,103
Other pension costs	165,512	148,009
	<u>£ 5,729,869</u>	<u>£ 5,102,907</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2005 No.	2004 No.
Housekeeping	23	22
Teaching	104	105
Administration	29	27
Maintenance	12	12
Promotion	4	5
Security	6	6
	<u>178</u>	<u>177</u>

### 5. DIRECTORS' REMUNERATION

	2005 £	2004 £
Emoluments	<u>£ 192,049</u>	<u>£ 116,622</u>
Company pension contributions to money purchase pension schemes	<u>£ 3,864</u>	<u>£ 3,502</u>

During the year retirement benefits were accruing to 1 director (2004 - 1) in respect of money purchase pension schemes.

### 6. INTEREST RECEIVABLE

	2005 £	2004 £
Interest receivable from group companies	267,000	219,000
Other interest receivable	28,795	33,558
	<u>£ 295,795</u>	<u>£ 252,558</u>

# TASIS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

### 7. EXCEPTIONAL ITEMS

	2005 £	2004 £
Disposal of freehold property	£ -	£ 119,712

### 8. TAXATION

	2005 £	2004 £
<b>Analysis of tax charge in year</b>		
UK corporation tax charge on profits of the year	8,500	88,312
Adjustments in respect of prior periods	1,379	-
<b>Total current tax</b>	<b>9,879</b>	<b>88,312</b>
<b>Tax on profit on ordinary activities</b>	<b>£ 9,879</b>	<b>£ 88,312</b>

#### Factors affecting tax charge for year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applicable to the group (19%). The differences are explained below:

	2005 £	2004 £
(Loss)/profit on ordinary activities before tax	(29,298)	248,906
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2004 - 30%)	(5,567)	74,672
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,067	4,067
Capital allowances for period in excess of depreciation	13,000	6,650
Capital gain on disposal of fixed assets	-	5,572
Adjustments to tax charge in respect of prior periods	1,379	(2,649)
<b>Current tax charge for year (see note above)</b>	<b>£ 9,879</b>	<b>£ 88,312</b>

# TASIS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

### 8. TAXATION (continued)

There were no factors that may affect future tax charges.

No provision has been made for deferred taxation in respect of timing differences as the amount involved is not material.

### 9. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Group</b>			
<b>Cost</b>			
At 1 July 2004	16,812	1,438,525	1,455,337
Additions	1,500	163,927	165,427
At 30 June 2005	18,312	1,602,452	1,620,764
<b>Depreciation</b>			
At 1 July 2004	16,649	972,650	989,299
Charge for the year	416	207,835	208,251
At 30 June 2005	17,065	1,180,485	1,197,550
<b>Net book value</b>			
At 30 June 2005	£ 1,247	£ 421,967	£ 423,214
At 30 June 2004	£ 163	£ 465,875	£ 466,038

### 10. FIXED ASSET INVESTMENTS

	Share in group under- takings £	Total £
<b>Company</b>		
<b>Cost</b>		
At 1 July 2004 and 30 June 2005	£ 10,000	£ 10,000

This represents the cost of the whole of the issued share capital of TASIS The American School in England a company registered in England and Wales. The principal activity of the company is the operation of an independent fee-paying school based in the UK, offering education under the American system.



# TASIS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

### 11. DEBTORS

	2005	Group 2004
	£	£
<b>Due within one year</b>		
Trade debtors	405,781	231,240
Amounts owed by undertakings in which the company has a participating interest	8,349,637	7,508,641
Other debtors	108,128	419,128
Prepayments and accrued income	257,247	236,260
	<u>£ 9,120,793</u>	<u>£ 8,395,269</u>

### 12. CREDITORS: Amounts falling due within one year

	2005	Group 2004
	£	£
Trade creditors	332,255	259,448
Amounts owed to group undertakings	1,098,913	1,123,540
Amounts owed to related undertakings	3,402,614	1,822,986
Corporation tax	-	24,535
Social security and other taxes	162,944	188,392
Other creditors	56,238	9,605
Accruals and deferred income	3,363,815	3,360,950
	<u>£ 8,416,779</u>	<u>£ 6,789,456</u>

Amounts owed to group and related undertakings fluctuate on a day to day basis to take into account general trading transactions. There are no fixed terms relating to security or repayment.

Amounts held on behalf of students amounting to £60,388 (2004 ; £74,490) have been netted against separate bank accounts set up for this purpose. These amounts, have therefore, been excluded from the financial statements.

### 13. SHARE CAPITAL

	2005	2004
	£	£
<b>Authorised, allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>

# TASIS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

### 14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005	2004
Group	£	£
(Loss)/profit for the year	(39,177)	160,594
	<u>(39,177)</u>	<u>160,594</u>
Opening shareholders' funds	2,441,425	2,280,831
Closing shareholders' funds	<u>£ 2,402,248</u>	<u>£ 2,441,425</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account. The profit dealt with in the accounts of the company was £nil (2004 : £nil).

### 15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating loss	(325,093)	(123,364)
Depreciation of tangible fixed assets	208,251	153,465
Decrease/(increase) in debtors	196,010	(399,782)
Decrease in amounts owed by group undertakings	-	1,034,524
Increase in amounts owed by joint ventures	(840,996)	(4,532,377)
Increase in creditors	1,676,485	2,014,771
(Decrease)/increase in amounts owed to group undertakings	(24,627)	1,123,540
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<u>£ 890,030</u>	<u>£ (729,223)</u>

### 16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005	2004
	£	£
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<u>£ 295,795</u>	<u>£ 252,558</u>
	<u>2005</u>	<u>2004</u>
	£	£
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(165,427)	(201,677)
Sale of tangible fixed assets	-	401,650
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<u>£ (165,427)</u>	<u>£ 199,973</u>

# TASIS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

### 17. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2004 £	Cash flow £	Other non-cash changes £	30 June 2005 £
Cash at bank and in hand:	369,574	905,446	-	1,275,020
<b>NET FUNDS</b>	<b>£ 369,574</b>	<b>£ 905,446</b>	<b>£ -</b>	<b>£ 1,275,020</b>

### 18. PENSION COMMITMENTS

The company operates a defined contributions 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 as more fully detailed in note 4 to the financial statements.

### 19. OPERATING LEASE COMMITMENTS

At 30 June 2005 the group and company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
<b>Group and company</b>		
<b>Expiry date:</b>		
Within 1 year	4,634	11,819
Between 2 and 5 years	61,742	19,772

In May 2001, the subsidiary company renewed its leases in respect of the school premises and a residence for faculty members for a further 7 years at an annual rent of £400,000.

In May 2003, the subsidiary company signed a new licence to hire machinery and equipment in the fitness centre and new gym. The lease is renewable on a monthly basis at an hourly rate of £33 per hour.

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## TASIS UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2005

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#### 20. RELATED PARTY TRANSACTIONS

In addition to the balances disclosed in notes 11 and 12 to the financial statements, the subsidiary company has entered into the following related party transactions during the year:

- a) During the year, TASIS paid rent of £500,513 (2004: £500,253) to Mikron, a related company, for the school premises.
- b) During the year, TASIS incurred building improvement costs of £396,396 (2004: £708,971) on behalf of Mikron which has been recharged via a related company.
- c) During the year, TASIS received £267,000 (2004: £219,000) from Mikron being interest due on the related company loan as referred to in note 6 to the financial statements.
- d) A service charge of £1,316,116 (2004: £1,230,872) was paid to ACE, a related company, during the year for administration expenses undertaken by the company, including the administration of boarding income. An additional amount of £89,921 (2004: £88,125) was paid to ACE as a contribution towards the running of an office in America which provides marketing services for the group and related companies.

#### 21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate holding company was Carona Trust, a trust registered in Liechtenstein. The ultimate control of this trust was not known. In October 2005 the whole of the issued share capital was transferred to Foundation TASIS, a charitable trust registered in Switzerland. The ultimate control of this trust is held by the trustees.