

2003/04

Report of the Directors and  
Financial Statements for the Year Ended 30 April 2003  
for  
The Ryes School Limited



A55  
COMPANIES HOUSE

\*AR1FESCZ\*

0319  
05/02/04

Contents of the Financial Statements  
for the Year Ended 30 April 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10
Trading and Profit and Loss Account	16

The Ryes School Limited

Company Information  
for the Year Ended 30 April 2003

**DIRECTORS:** T T Friedag  
J R Pester  
L A Hunt  
J B Clarke  
C A Triggs  
J Giles

**SECRETARY:** R C Huddleston

**REGISTERED OFFICE:** The Ryes School  
Little Henny  
Sudbury  
Suffolk  
CO10 7EA

**REGISTERED NUMBER:** 02107585 (England and Wales)

**AUDITORS:** Clarke & Co  
12 North Hill  
Colchester  
Essex  
C01 1AS

**SECRETARY:** M E Carter

## The Ryes School Limited

### Report of the Directors for the Year Ended 30 April 2003

The directors present their report with the financial statements of the company for the year ended 30 April 2003.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of operating a residential school.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

An interim dividend of 185p per share was paid on 7 November 2002. The directors recommend a final dividend of 185p per share, making a total of 370p per share for the year ended 30 April 2003.

The total distribution of dividends for the year ended 30 April 2003 will be £353,000.

#### **DIRECTORS**

The directors during the year under review were:

B D Martin	- resigned 8.11.02
Mrs J M Martin	- resigned 8.11.02
N A Martin	- resigned 8.11.02
P C Martin	- resigned 8.11.02
T T Friedag	- appointed 8.11.02
J R Pester	- appointed 11.11.02
L A Hunt	- appointed 11.11.02
J B Clarke	- appointed 11.11.02
C A Triggs	- appointed 11.11.02
J Giles	- appointed 11.11.02

The directors holding office at 30 April 2003 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 30 April 2003.

The directors who acted during the year and their interests in the shares of the holding company at the end of the financial year were:

Ordinary £1 shares	30.04.03 £
T Friedag	65,000
C Triggs	40,000
L Hunt	30,000
J Clarke	25,000
J Giles	20,000
J Pester	20,000

#### **THE EURO**

The directors continue to monitor the potential impact on the company of the introduction of the Single European Currency the Euro.

#### **SALE OF COMPANY**

On 11th November 2002 the entire share capital of the company was acquired by RSO Limited as part of a management buy out.

The Ryes School Limited

Report of the Directors  
for the Year Ended 30 April 2003

**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

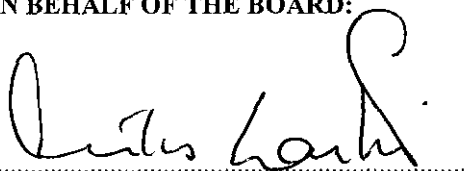
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Clarke & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



~~R. G. Huddleston~~ - Secretary

M. E. CARTER.

Date: .....15-8-03.....

The Ryes School Limited

Report of the Independent Auditors to the Shareholders of  
The Ryes School Limited

We have audited the financial statements of The Ryes School Limited for the year ended 30 April 2003 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 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 auditors**

As described on pages two and three 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 Report of the Directors 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 with the company is not disclosed.

We read the Report of the Directors 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 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 30 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Clarke & Co*

Clarke & Co  
12 North Hill  
Colchester  
Essex  
CO1 1AS

Date: *15<sup>th</sup> August 2003*

The Ryes School Limited

Profit and Loss Account  
for the Year Ended 30 April 2003

		30.4.03	30.4.02
	Notes	£	£
<b>TURNOVER</b>		3,187,084	3,000,117
Cost of sales		1,844,179	1,680,468
<b>GROSS PROFIT</b>		1,342,905	1,319,649
Administrative expenses		808,968	568,897
<b>OPERATING PROFIT</b>	3	533,937	750,752
Interest receivable and similar income		52,125	42,764
		586,062	793,516
Interest payable and similar charges	4	138	1
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		585,924	793,515
Tax on profit on ordinary activities	5	123,370	235,755
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		462,554	557,760
Extraordinary items after taxation	6	-	46,015
<b>PROFIT FOR THE FINANCIAL YEAR</b>		462,554	603,775
Dividends	7	353,000	261,000
<b>RETAINED PROFIT FOR THE YEAR</b>		£109,554	£342,775

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

The Ryes School Limited

Statement of Total Recognised Gains and Losses  
for the Year Ended 30 April 2003

	30.4.03	30.4.02
	£	£
<b>PROFIT FOR THE FINANCIAL YEAR</b>	462,554	603,775
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	462,554	<u>£603,775</u>
Prior year adjustment	Note 8	
	(117,000)	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<u>£345,554</u>	



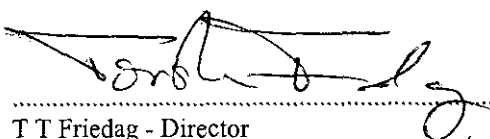
The Ryes School Limited

Balance Sheet

30 April 2003

		30.4.03		30.4.02	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		2,884,324		2,882,541
<b>CURRENT ASSETS</b>					
Stocks	10	2,634		2,653	
Debtors	11	1,169,722		361,596	
Cash at bank and in hand		992,177		1,580,426	
		2,164,533		1,944,675	
<b>CREDITORS</b>					
Amounts falling due within one year	12	1,727,428		1,619,599	
<b>NET CURRENT ASSETS</b>			437,105		325,076
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,321,429		3,207,617
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		12,226		7,969
			£3,309,203		£3,199,648
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		100,000		100,000
Share premium	17		2,032,649		2,032,649
Profit and loss account	17		1,176,554		1,066,999
<b>SHAREHOLDERS' FUNDS</b>	21		£3,309,203		£3,199,648

ON BEHALF OF THE BOARD:

  
T T Friedag - Director

Approved by the Board on 15/8/2003

The Ryes School Limited

Cash Flow Statement  
for the Year Ended 30 April 2003

		30.4.03	30.4.02
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	150,874	948,916
<b>Returns on investments and servicing of finance</b>	2	51,987	42,763
<b>Taxation</b>		(249,331)	(143,304)
<b>Capital expenditure</b>	2	(71,469)	(114,305)
<b>Equity dividends paid</b>		(470,000)	(144,000)
		(587,939)	590,070
<b>Financing</b>	2	(1,670)	47,468
<b>(Decrease)/Increase in cash in the period</b>		<u>£(589,609)</u>	<u>£637,538</u>
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/Increase in cash in the period		<u>(589,609)</u>	<u>637,538</u>
Change in net funds resulting from cash flows		<u>(589,609)</u>	<u>637,538</u>
<b>Movement in net funds in the period</b>		<u>(589,609)</u>	<u>637,538</u>
<b>Net funds at 1 May</b>		<u>1,580,426</u>	<u>942,888</u>
<b>Net funds at 30 April</b>		<u>£990,817</u>	<u>£1,580,426</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 April 2003

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	30.4.03 £	30.4.02 £
Operating profit	533,937	750,752
Depreciation charges	66,808	60,950
Loss on disposal of fixed assets	2,876	2,301
Decrease/(Increase) in stocks	19	(929)
(Increase)/Decrease in debtors	(808,123)	48,318
Increase in creditors	355,357	87,524
<b>Net cash inflow from operating activities</b>	<u>150,874</u>	<u>948,916</u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	30.4.03 £	30.4.02 £
<b>Returns on investments and servicing of finance</b>		
Interest received	52,125	42,764
Interest paid	(138)	(1)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u>51,987</u>	<u>42,763</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(76,756)	(114,689)
Sale of tangible fixed assets	5,287	384
<b>Net cash outflow for capital expenditure</b>	<u>(71,469)</u>	<u>(114,305)</u>
<b>Financing</b>		
Amount introduced by former directors	-	(16,841)
Amount withdrawn by former	(1,670)	18,294
<b>Net cash (outflow)/inflow from financing</b>	<u>(1,670)</u>	<u>1,453</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.5.02 £	Cash flow £	At 30.4.03 £
Net cash:			
Cash at bank and in hand	1,580,426	(588,249)	992,177
Bank overdraft	-	(1,360)	(1,360)
	<u>1,580,426</u>	<u>(589,609)</u>	<u>990,817</u>
<b>Total</b>	<u>1,580,426</u>	<u>(589,609)</u>	<u>990,817</u>

Notes to the Financial Statements  
for the Year Ended 30 April 2003

1. **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. **STAFF COSTS**

	30.4.03	30.4.02
	£	£
Wages and salaries	1,757,276	1,681,047
Social security costs	233,389	-
Other pension costs	50,704	47,639
	<u>2,041,369</u>	<u>1,728,686</u>

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

	30.4.03	30.4.02
Education and care	89	80
Administration	26	21
	<u>115</u>	<u>101</u>

Notes to the Financial Statements  
for the Year Ended 30 April 2003

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.4.03	30.4.02
	£	£
Hire of plant and machinery	2,532	2,761
Depreciation - owned assets	66,810	61,364
Loss on disposal of fixed assets	2,876	2,301
Auditors remuneration	3,235	4,321
	<u>          </u>	<u>          </u>
Directors' emoluments	<u>127,434</u>	<u>11,400</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>6</u>	<u>-</u>
------------------------	----------	----------

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	30.4.03	30.4.02
	£	£
Bank interest	<u>138</u>	<u>1</u>

5. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.4.03	30.4.02
	£	£
Current tax:		
UK corporation tax	119,270	227,822
Overprovision in prior years	(157)	(36)
	<u>          </u>	<u>          </u>
Total current tax	119,113	227,786
Deferred taxation	<u>4,257</u>	<u>7,969</u>
Tax on profit on ordinary activities	<u>123,370</u>	<u>235,755</u>

UK corporation tax has been charged at 30.08% (2002 - 28.71%).

Notes to the Financial Statements  
for the Year Ended 30 April 2003

5. **TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.4.03	30.4.02
	£	£
Profit on ordinary activities before tax	585,924	793,515
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30.083% (2002 - 28.710%)	176,264	227,818
Effects of:		
Roundings	2	4
Prior year taxation	(157)	(36)
Group relief received	(56,996)	-
Current tax charge	119,113	227,786

6. **EXTRAORDINARY ITEMS**

	30.4.03	30.4.02
	£	£
Extraordinary items	-	46,015

7. **DIVIDENDS**

	30.4.03	30.4.02
	£	£
Equity shares:		
Interim dividends ordinary shares	168,000	144,000
Final	185,000	117,000
	353,000	261,000

8. **PRIOR YEAR ADJUSTMENT**

The prior year adjustment relates to a special dividend drawn by the previous owners relating to the audited accounts for the year ended 30 April 2002, representing the increase in net assets over the level expected when the sale and purchase agreement was negotiated.

Notes to the Financial Statements  
for the Year Ended 30 April 2003

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST:</b>					
At 1 May 2002	2,868,710	100,078	66,414	56,826	3,092,028
Additions	1,240	58,329	3,347	13,840	76,756
Disposals	-	(12,362)	(229)	(3,900)	(16,491)
At 30 April 2003	2,869,950	146,045	69,532	66,766	3,152,293
<b>DEPRECIATION:</b>					
At 1 May 2002	107,512	44,214	30,160	27,601	209,487
Charge for year	28,699	19,634	8,019	10,458	66,810
Eliminated on disposal	-	(4,939)	(723)	(2,666)	(8,328)
At 30 April 2003	136,211	58,909	37,456	35,393	267,969
<b>NET BOOK VALUE:</b>					
At 30 April 2003	2,733,739	87,136	32,076	31,373	2,884,324
At 30 April 2002	2,761,198	55,864	36,254	29,225	2,882,541

10. STOCKS

	30.4.03 £	30.4.02 £
Stocks	2,634	2,653

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.03 £	30.4.02 £
Trade debtors	830,687	309,062
Amounts owed by group undertakings	321,033	-
Other debtors	850	294
Prepayments and accrued income	17,152	52,240
	1,169,722	361,596

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.03 £	30.4.02 £
Bank loans and overdrafts (see note 13)	1,360	-
Trade creditors	107,855	68,733
Taxation	119,270	249,488
Social security and other taxes	54,157	40,518
Proposed dividends	-	117,000
Other creditors	5,245	4,254
Fees in advance	1,313,867	1,044,080
Pension contributions payable	6,726	-
Directors' current accounts	-	1,670
Accrued expenses	118,948	93,856
	1,727,428	1,619,599

Notes to the Financial Statements  
for the Year Ended 30 April 2003

13. **LOANS**

An analysis of the maturity of loans is given below:

	30.4.03	30.4.02
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,360	-
	<u>1,360</u>	<u>-</u>

14. **OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	30.4.03	30.4.02
	£	£
Operating leases		
Expiring:		
In more than five years	3,389	-
	<u>3,389</u>	<u>-</u>

15. **PROVISION FOR LIABILITIES AND CHARGES**

	30.4.03	30.4.02
	£	£
Deferred taxation	12,226	7,969
	<u>12,226</u>	<u>7,969</u>

	Deferred tax
	£
Balance at 1 May 2002	7,969
Timing differences	3,397
Change in rate of taxation	860
	<u>12,226</u>
Balance at 30 April 2003	<u>12,226</u>

16. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.4.03	30.4.02
		£1	£	£
100,000	Ordinary		100,000	100,000
			<u>100,000</u>	<u>100,000</u>



Notes to the Financial Statements  
for the Year Ended 30 April 2003

17. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 May 2002	1,184,000	2,032,649	3,216,649
Prior year adjustment	(117,000)	-	(117,000)
	<hr/>	<hr/>	<hr/>
Retained profit for the year	1,067,000 109,554	2,032,649 -	3,099,649 109,554
	<hr/>	<hr/>	<hr/>
At 30 April 2003	<u>1,176,554</u>	<u>2,032,649</u>	<u>3,209,203</u>

18. ULTIMATE PARENT COMPANY

The ultimate parent company is RSO Limited a company registered in England and Wales.

19. CAPITAL COMMITMENTS

	30.4.03 £	30.4.02 £
Contracted but not provided for in the financial statements	9,500	-
	<hr/>	<hr/>

20. RELATED PARTY DISCLOSURES

At the 30 April 2003 the company was owed £321,033 by RSO Limited.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.4.03 £	30.4.02 £
Profit for the financial year	462,554	603,775
Dividends	(353,000)	(261,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	109,554	342,775
Opening shareholders' funds (originally £3,316,648 before prior year adjustment of £(117,000))	3,199,648	2,856,873
	<hr/>	<hr/>
Closing shareholders' funds	<u>3,309,202</u>	<u>3,199,648</u>

\*\* TOTAL OF CLOSING SHAREHOLDERS' FUNDS FOR CURRENT YEAR AS SHOWN HERE DOES NOT  
AGREE TO TOTAL PER BALANCE SHEET £3309203  
PLEASE CHECK CLIENT SCREEN - MOVEMENTS IN SHAREHOLDERS' FUNDS

Equity interests	<u>3,309,202</u>	<u>3,199,648</u>
------------------	------------------	------------------

22. CHANGE IN CONTROL

During the year the company was sold by Mr. and Mrs. Martin to RSO Limited, which is controlled by current directors.