

HEADINGTON SCHOOL SERVICES LIMITED

ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2002

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Registered No. 2677494



HEADINGTON SCHOOL SERVICES LIMITED**DIRECTORS' REPORT**

The directors present their report together with the audited accounts for the year ended 31 August 2002.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is the management of a Sports Complex and the commercial letting of Headington School premises during the Summer holidays.

Turnover for the year was £140,515 compared to £137,828 for the previous year. The accounts show a profit of £13,657 (2001 £1,280 profit).

The company is funded by a long term loan from its parent, Headington School, Oxford, Limited. After paying interest on this loan, any surplus is covenanted to the School. No corporation tax is payable as the covenant is allowed as a charge against profits.

The loan from the parent company was used to fund development of the pool and sports complex which was completed in September 1995.

The directors are satisfied with the company's performance and financial position.

DIRECTORS

The directors of the company were:

Mrs Caroline Wood MA VetMB MSc FRCPATH MRCVS
G A Paine JP FCA
R G Barnes BSc MBA

Each current Director holds one share except Mrs Caroline Wood who holds two shares.

These shares are held as nominees for Headington School, Oxford, Limited.

Each current director also holds one share in the parent company, Headington School, Oxford, Limited except Mrs Caroline Wood who holds two shares.

AUDITORS

A resolution to re-appoint Critchleys, Chartered Accountants, will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



A T Brett
(Secretary)


22 November 2002

HEADINGTON SCHOOL SERVICES LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the results of the company for that year. In preparing those accounts, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent; and prepare the accounts on a 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 enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Caroline Wood', with a stylized flourish at the end.

Mrs Caroline Wood MA VetMB MSc FRCPath MRCVS

22 November 2002

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF HEADINGTON SCHOOL SERVICES LIMITED**

We have audited the accounts of Headington School Services Limited for the year ended 31 August 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

We report to you our opinion as to whether the accounts 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 accounts, 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 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 Audit Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Oxford
4 December 2002

Critchleys
Chartered Accountants
Registered Auditors

HEADINGTON SCHOOL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2002

	Note	2002 £	2001 £
TURNOVER		<u>140,515</u>	<u>137,828</u>
GROSS PROFIT		140,515	137,828
Administrative expenses		<u>(88,125)</u>	<u>(93,650)</u>
OPERATING PROFIT		52,390	44,178
Interest payable	2	<u>(38,733)</u>	<u>(42,898)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>13,657</u>	<u>1,280</u>
PROFIT FOR THE FINANCIAL YEAR AND TRANSFERRED TO RESERVES		13,657	1,280
Profit and loss account brought forward		<u>8,818</u>	<u>7,538</u>
Profit and loss account carried forward		<u>22,475</u>	<u>8,818</u>

All activities are continuing. There are no gains or losses other than those recognised through the profit and loss account.

RECONCILIATION OF SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	<u>13,657</u>	<u>1,280</u>
Net movement on shareholders' funds	13,657	1,280
Opening shareholders' funds	<u>8,822</u>	<u>7,542</u>
Closing shareholders' funds	<u>22,479</u>	<u>8,822</u>

The notes on pages 6 to 8 form part of these accounts.

HEADINGTON SCHOOL SERVICES LIMITED

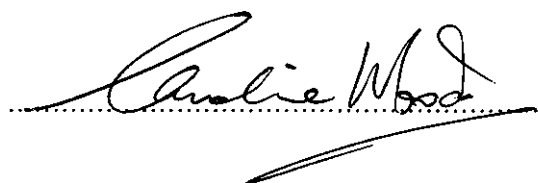
BALANCE SHEET AS AT 31 AUGUST 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	5	<u>762,347</u>	<u>764,512</u>
CURRENT ASSETS			
Stock	6	-	167
Debtors	7	46,354	47,131
Cash at bank and in hand		<u>24,431</u>	<u>28,048</u>
		70,785	75,346
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(48,587)</u>	<u>(68,970)</u>
NET CURRENT ASSETS		<u>22,198</u>	<u>6,376</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		784,545	770,888
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	<u>(762,066)</u>	<u>(762,066)</u>
NET ASSETS		<u>22,479</u>	<u>8,822</u>
CAPITAL AND RESERVES			
Called up share capital	10	4	4
Profit and loss account		<u>22,475</u>	<u>8,818</u>
		<u>22,479</u>	<u>8,822</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the financial reporting standard for smaller entities (effective June 2002).

The notes on pages 6 to 8 form part of these accounts

The accounts were approved by the Board on 22 November 2002 and signed on its behalf by:



Mrs Caroline Wood MA VetMB MSC FRCPath MRCVS

HEADINGTON SCHOOL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2002

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts:

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with the financial reporting standard for smaller entities (effective June 2002)

b) Turnover

Turnover comprises the value of goods supplied and services provided to third parties and is exclusive of value added tax.

c) Stocks

Stocks are valued at the lower of cost and net realisable value.

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less depreciation.

Depreciation is provided using the written down value at rates which reflect the anticipated useful lives of the assets and their estimated residual values, fixtures and fittings are either depreciated at 10% straight line or 25% reducing balance.

The leasehold property costs are not depreciated as the residual value of the site on reversion to the School will be such that the loan, also from the School, will be redeemed.

e) Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis.

2	INTEREST PAYABLE AND SIMILAR CHARGES	2002 £	2001 £
	Loans not wholly repayable within five years	<u>38,733</u>	<u>42,898</u>
3	PROFIT ON ORDINARY ACTIVITIES	2002 £	2001 £
	Profit is stated after charging:		
	Auditors' remuneration	995	925
	Depreciation	4,914	5,244
	Rentals under operating leases		
	Rent	<u>17,900</u>	<u>17,900</u>

HEADINGTON SCHOOL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2002

4 DIRECTORS AND EMPLOYEES

The company has no employees. The directors received no remuneration.

5	TANGIBLE FIXED ASSETS	Short lease property £	Fixtures & fittings £	Total £
	Cost or valuation			
	Brought forward	746,202	59,504	805,706
	Additions	<u>370</u>	<u>2,379</u>	<u>2,749</u>
	Carried forward	<u>746,572</u>	<u>61,883</u>	<u>808,455</u>
	Depreciation			
	Brought forward	-	41,194	41,194
	Provision	<u>-</u>	<u>4,914</u>	<u>4,914</u>
	Carried forward	<u>-</u>	<u>46,108</u>	<u>46,108</u>
	Net book value			
	Carried forward	<u>746,572</u>	<u>15,775</u>	<u>762,347</u>
	Brought forward	<u>746,202</u>	<u>18,310</u>	<u>764,512</u>
	Depreciation rates	NIL	25%-10%	
6	STOCK		2002 £	2001 £
	Consumables		<u>-</u>	<u>167</u>
7	DEBTORS		2002 £	2001 £
	Trade debtors		<u>46,354</u>	<u>47,131</u>

HEADINGTON SCHOOL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2002

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Owed to group undertakings	26,802	38,868
Accruals and deferred income	8,780	17,480
Other creditors	<u>13,005</u>	<u>12,622</u>
	<u>48,587</u>	<u>68,970</u>

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Amounts owed to group undertakings	<u>762,066</u>	<u>762,066</u>

The loan from the parent undertaking is repayable on 31 August 2010. Interest is charged at base rate. The loan is secured by debenture over the assets of the company.

10 SHARE CAPITAL

	2002	2001
Allotted and fully paid:		
Ordinary shares of £1 each	<u>4</u>	<u>4</u>

Authorised: 100 ordinary shares of £1 (2001 - 100)

11 ULTIMATE HOLDING COMPANY

Headington School, Oxford, Limited, registered in England and Wales is regarded by the directors as being the company's ultimate holding company.

12 RELATED PARTIES

The company has taken advantage of the exemption from disclosing group transactions as conferred by Financial Reporting Standard No. 8 on the grounds that consolidated accounts in which the company is included are publicly available.

HEADINGTON SCHOOL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2002

	2002	2001
	£	£
TURNOVER		
Rents receivable	140,515	137,828
ADMINISTRATIVE EXPENSES		
Letting expenses	22,988	21,907
Swimming pool and sports hall expenses	12,677	11,284
Repairs and renewals	5,328	10,296
Telephone	185	232
Rent	17,900	17,900
Light and heat	22,917	25,646
Bank charges	171	180
Stationery	-	21
Sundry expenses	50	15
Audit and accountancy	995	925
Depreciation fixtures & fittings	<u>4,914</u>	<u>5,244</u>
	<u>(88,125)</u>	<u>(93,650)</u>
NET TRADING PROFIT FOR THE YEAR	52,390	44,178
Interest payable	<u>(38,733)</u>	<u>(42,898)</u>
NET PROFIT FOR THE YEAR	<u><u>13,657</u></u>	<u><u>1,280</u></u>