

**HEADINGTON SCHOOL SERVICES LIMITED**

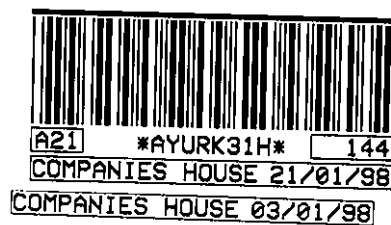
**ACCOUNTS FOR THE YEAR ENDED**

**31 AUGUST 1997**

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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 31st August 1997.

#### 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 £140,489 compared to £140,132 for the previous year. The accounts show a profit of £14,736 (1996 £15137).

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.

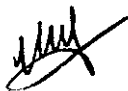
The loan from the parent company was used to fund development of the pool and sports complex which was completed in September 1995.

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

#### DIRECTORS

The directors of the company were:

The Rt Hon Baroness Young  
H W Mitchell FCIS FIB (resigned Jan.'97)  
G A Paine FCA  
R G Barnes BSc MBA (appointed Jan.'97)



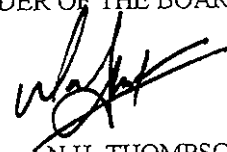
Each current Director holds one share  
except Baroness Young who holds 2 shares

#### AUDITORS

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

21 November 1997

BY ORDER OF THE BOARD



N.H. THOMPSON  
(Secretary)

## **AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF HEADINGTON SCHOOL SERVICES LIMITED**

We have audited the accounts on pages 3 to 7.

#### **Respective responsibilities of directors and auditors**

As described on page 5, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

#### **Basis of opinion**

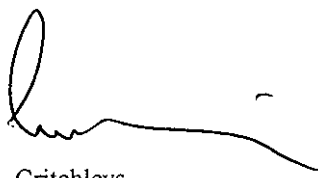
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the 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 at 31st August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Oxford  
16 December 1997



Critchleys  
Chartered Accountants  
Registered Auditors

# HEADINGTON SCHOOL SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 1997

	Note	1997 £	1996 £
TURNOVER		<u>140,489</u>	<u>140,132</u>
GROSS PROFIT		140,489	140,132
Administrative expenses		<u>(79,243)</u>	<u>(78,515)</u>
OPERATING PROFIT		61,246	61,617
Interest payable	3	<u>(46,510)</u>	<u>(46,480)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>14,736</u>	<u>15,137</u>
PROFIT FOR THE FINANCIAL YEAR		14,736	15,137
Gift aid / covenant		<u>-</u>	<u>-</u>
Transferred to reserves		14,736	15,137
Profit & loss account brought forward		<u>(13,340)</u>	<u>(28,477)</u>
Profit & loss account carried forward		<u><u>1,396</u></u>	<u><u>(13,340)</u></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

	1997 £	1996 £
Profit for the financial year	14,736	15,137
Net movement on shareholders' funds	<u>14,736</u>	<u>15,137</u>
Opening shareholders' funds	<u>(13,336)</u>	<u>(28,473)</u>
Closing shareholders' funds	<u><u>1,400</u></u>	<u><u>(13,336)</u></u>

The notes on pages 5 to 7 form part of these accounts.

# HEADINGTON SCHOOL SERVICES LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 1997

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>752,772</u>	<u>739,222</u>
<b>CURRENT ASSETS</b>			
Stock	7	1,226	473
Debtors	8	42,255	53,804
Cash at bank and in hand		<u>1,804</u>	<u>5,203</u>
		45,285	59,480
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(34,591)	(63,972)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>10,694</u>	<u>(4,492)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		763,466	734,730
<b>CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	(762,066)	(748,066)
<b>NET ASSETS/(LIABILITIES)</b>		<u>1,400</u>	<u>(13,336)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	4	4
Profit and loss account		<u>1,396</u>	<u>(13,340)</u>
		<u>1,400</u>	<u>(13,336)</u>

The notes on pages 5 to 7 form part of these accounts.

These accounts were approved by the board of directors on 21 November 1997.

.....  (Director)

**HEADINGTON SCHOOL SERVICES LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1996****1. 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 to 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.

**2. 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 compliance with applicable accounting standards.

**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.

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.

# HEADINGTON SCHOOL SERVICES LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1997

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Loans not wholly repayable within five years	46,510	46,480

### 4. PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Profit is stated after charging :		
Auditors' remuneration	800	800
Depreciation	5,060	4,104
Rentals under operating leases		
Rent	17,200	16,900

### 5. DIRECTORS AND EMPLOYEES

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

### 6. TANGIBLE FIXED ASSETS

	Short Lease property £	Fixtures & fittings £	TOTAL £
<b>COST OR VALUATION</b>			
Brought forward	711,223	43,886	755,109
Additions	17,399	1,211	18,610
Disposals	-	-	-
Carried forward	728,622	45,097	773,719
<b>DEPRECIATION</b>			
Brought forward	-	15,887	15,887
Provision	-	5,060	5,060
Disposals	-	-	-
Carried forward	-	20,947	20,947
<b>NET BOOK VALUE</b>			
Carried forward	728,622	24,150	752,772
Brought forward	711,223	27,999	739,222
Depreciation rates	NIL	25% / 10%	

# **HEADINGTON SCHOOL SERVICES LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 1997**

<b>7</b>	<b>STOCK</b>	<b>1997</b> £	<b>1996</b> £
	Consumables	<u>1,226</u>	<u>473</u>
<b>8.</b>	<b>DEBTORS</b>	<b>1997</b> £	<b>1996</b> £
	Trade debtors	<u>42,255</u>	<u>53,804</u>
<b>9.</b>	<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		<b>1997</b> £	<b>1996</b> £
	Owed to group undertakings	19,890	37,380
	Other tax and social security	-	9,296
	Accruals and deferred income	4,354	8,446
	Other creditors	<u>10,347</u>	<u>8,850</u>
		<u>34,591</u>	<u>63,972</u>
<b>10.</b>	<b>CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
		<b>1997</b> £	<b>1996</b> £
	Amounts owed to group undertakings	<u>762,066</u>	<u>748,066</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.		
<b>11.</b>	<b>SHARE CAPITAL</b>	<b>1997</b> £	<b>1996</b> £
	Allotted and fully paid :		
	Ordinary shares of £1 each	<u>4</u>	<u>4</u>
	Authorised : 100 ordinary shares of £1 (1996 - 100)		

## **12. 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.



# HEADINGTON SCHOOL SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 1997

	1997	1996
	£	£
<b>TURNOVER</b>		
Rents receivable	137,304	139,945
Other receipts	<u>3,185</u>	<u>187</u>
	140,489	140,132
 <b>ADMINISTRATIVE EXPENSES</b>		
Letting expenses	23,547	24,388
Swimming pool expenses	4,513	4,421
Repairs and renewals	4,051	2,989
Telephone	449	485
Rent	17,200	16,900
Light and heat	23,279	23,876
Bank charges	182	184
Stationery	123	-
Sundry expenses	15	18
Audit and accountancy	800	800
Legal and professional	-	350
Depreciation fixtures & fittings	5,060	4,104
Bad debts	<u>24</u>	<u>-</u>
	(79,243)	(78,515)
 <b>NET TRADING PROFIT FOR THE YEAR</b>	61,246	61,617
 Interest payable	<u>(46,510)</u>	<u>(46,480)</u>
 <b>NET PROFIT FOR THE YEAR</b>	<u>14,736</u>	<u>15,137</u>