

HEADINGTON SCHOOL SERVICES LIMITED

ACCOUNTS FOR THE YEAR ENDED

31ST AUGUST 1996

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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 1996.

REVIEW OF THE BUSINESS AND DISTRIBUTION OF PROFITS

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 £140,132 compared to £105,554 for the previous year.

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.

In summary, the company's results were:

	1996		1995	
	£	£	£	£
Profit before interest and covenant		61,617		479
Paid to parent company				
Interest	46,480		28,956	
Covenant	-		-	
		(46,480)		(28,956)
Net profit/(loss)		15,137		(28,477)

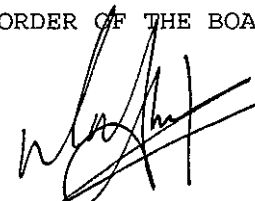
The loan from the parent company was used to fund development of the pool and sports complex which was completed in September 1995.

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

AUDITORS

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

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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Oxford

Critchleys
Chartered Accountants
Registered Auditors

HEADINGTON SCHOOL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1996

	Note	1996 £	1995 £
*TURNOVER		140,132	106,355
GROSS PROFIT		140,132	106,355
Administrative expenses		(78,515)	(105,876)
OPERATING PROFIT		61,617	479
Interest payable	3.	(46,480)	(28,956)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4.	15,137	(28,477)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		15,137	(28,477)
Gift aid/covenant		-	-
Transferred to reserves		15,137	(28,477)
Profit and loss account brought forward		(28,477)	-
Profit and loss account carried forward		(13,340)	(28,477)

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

RECONCILIATION OF SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit/(loss) for the financial year	15,137	(28,477)
Net movement on shareholders' funds	15,137	(28,477)
Opening shareholders' funds	(28,473)	4
Closing shareholders' funds	(13,336)	(28,473)

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

HEADINGTON SCHOOL SERVICES LIMITED

BALANCE SHEET AT 31ST AUGUST 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6.	<u>739,222</u>	<u>640,132</u>
CURRENT ASSETS			
Stock	7.	473	-
Debtors	8.	53,804	61,338
Cash at bank and in hand		<u>5,203</u>	<u>4,517</u>
		59,480	65,855
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9.	<u>(63,972)</u>	<u>(66,394)</u>
NET CURRENT LIABILITIES		<u>(4,492)</u>	<u>(539)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		734,730	639,593
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10.	<u>(748,066)</u>	<u>(668,066)</u>
		<u>(13,336)</u>	<u>(28,473)</u>
CAPITAL AND RESERVES			
Called up share capital	11.	4	4
Profit and loss account		<u>(13,340)</u>	<u>(28,477)</u>
		<u>(13,336)</u>	<u>(28,473)</u>

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

These accounts were approved by the board of directors on 31 January 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 31ST AUGUST 1996

3.	INTEREST PAYABLE AND SIMILAR CHARGES	1996 £	1995 £
	Loans not wholly repayable within five years	<u>46,480</u>	<u>28,956</u>

4.	PROFIT/(LOSS) ON ORDINARY ACTIVITIES	1996 £	1995 £
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Profit/(loss) is stated after charging:

Auditors' remuneration	800	800
Depreciation	4,104	4,196
Rentals under operating leases		
Rent	16,900	28,900
Rent of other assets	-	645
	<u> </u>	<u> </u>

5. DIRECTORS AND EMPLOYEES

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

6.	TANGIBLE FIXED ASSETS	Short Leasehold property £	Fixtures & fittings £	Total £
	Cost or valuation			
	Brought forward	626,079	25,836	651,915
	Additions	<u>85,144</u>	<u>18,050</u>	<u>103,194</u>
	Carried forward	<u>711,223</u>	<u>43,886</u>	<u>755,109</u>
	Depreciation			
	Brought forward	-	11,783	11,783
	Charge for the year	<u>-</u>	<u>4,104</u>	<u>4,104</u>
	Carried forward	<u>-</u>	<u>15,887</u>	<u>15,887</u>
	Net book value			
	Carried forward	<u>711,223</u>	<u>27,999</u>	<u>739,222</u>
	Brought forward	<u>626,079</u>	<u>14,053</u>	<u>640,132</u>
	Depreciation rates	NIL	25%/10%	
7.	STOCK	£		£
	Consumables	<u>473</u>		<u>-</u>

HEADINGTON SCHOOL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1996

8. DEBTORS	1996	1995
	£	£
Trade debtors	53,804	44,973
Tax recoverable	-	16,365
	<u>53,804</u>	<u>61,338</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996	1995
	£	£
Owed to group undertakings	37,380	54,704
Other tax and social security	9,296	7,390
Accruals and deferred income	8,446	4,300
Other creditors	8,850	-
	<u>63,972</u>	<u>66,394</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1996	1995
	£	£
Amounts owed to group undertakings	<u>748,066</u>	<u>668,066</u>

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

11. SHARE CAPITAL	1996	1995
	£	£
Allotted and fully paid:		
Ordinary shares of £1 each	<u>4</u>	<u>4</u>

Authorised: 100 ordinary shares of £1 (1995 - 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.