

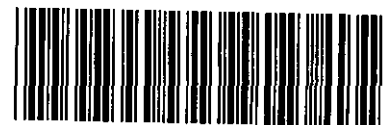
Registered number: 2677494

# **HEADINGTON SCHOOL SERVICES LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE 11 MONTHS ENDED 31 JULY 2006**

WEDNESDAY



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**HEADINGTON SCHOOL SERVICES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Mr R G Barnes  
Mr G A Paine  
Mrs C S Bevan

**SECRETARY**

Mr M A Clarkson

**COMPANY NUMBER**

2677494

**REGISTERED OFFICE**

Headington Road  
Oxford  
OX3 0BL

**AUDITORS**

Horwath Clark Whitehill LLP  
Chartered Accountants  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

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## HEADINGTON SCHOOL SERVICES LIMITED

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## **HEADINGTON SCHOOL SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE 11 MONTHS ENDED 31 JULY 2006**

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The directors present their report and the financial statements for the 11 months ended 31 July 2006.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In determining how accounts 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the management of a Sports Complex and the commercial letting of Headington School premises throughout the year but mainly during holiday periods.

Turnover for the year was £172,774 compared to £298,179 for the previous year. The accounts show a loss of £37,801 (2005: £12,342).

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. Any additions to the loan are as a result of development of the new preparatory school library.

It should be noted that the end of the financial year has been brought forward to the 31 July in line with that of Headington School Oxford Ltd and hence this report covers an 11 month period only. Thus, for this year only, the accounts do not show a full years' income. In addition, the accounting for the provision of teaching accommodation for the language school was transferred into the parent company as it is an eligible body for VAT purposes. This has affected the apparent profitability and cash flows within the service company. Noting this change, the Directors are satisfied with the company's performance and financial position.

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## HEADINGTON SCHOOL SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE 11 MONTHS ENDED 31 JULY 2006

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#### DIRECTORS

The directors who served during the 11 months and their interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	31/7/06	1/9/05
Mr R G Barnes	1	1
Mr G A Paine	1	1
Mrs C S Bevan	2	2

Each current Director holds one share except Mrs Caroline Bevan 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.

None of the directors were given the right to subscribe for shares during the year.

#### AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 30 November 2006 and signed on its behalf.



Director

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## HEADINGTON SCHOOL SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HEADINGTON SCHOOL SERVICES LIMITED

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We have audited the financial statements of Headington School Services Limited for the 11 months ended 31 July 2006, which comprise the Profit and Loss Account, Balance Sheet and related notes set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders, 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

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HEADINGTON SCHOOL SERVICES LIMITED

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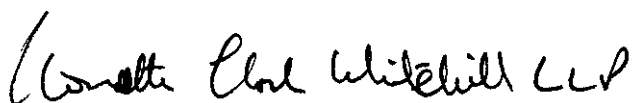
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HEADINGTON SCHOOL SERVICES  
LIMITED

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 July 2006 and of its loss for the 11 months then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**HORWATH CLARK WHITEHILL LLP**

Chartered Accountants

Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

Date: *December 1st 2006*

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HEADINGTON SCHOOL SERVICES LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE 11 MONTHS ENDED 31 JULY 2006

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	Note	11 months ended 31 July 2006 £	12 months ended 31 August 2005 £
<b>TURNOVER</b>	1	172,774	298,179
Administrative expenses		(168,401)	(226,903)
<b>OPERATING PROFIT</b>	2	4,373	71,276
Interest payable		(42,174)	(45,462)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(37,801)	25,814
<b>TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	3	-	799
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(37,801)	26,613
<b>GIFT AID</b>		-	(38,955)
<b>LOSS RETAINED FOR THE PERIOD</b>		(37,801)	(12,342)
<b>LOSS BROUGHT FORWARD</b>		(116,090)	(103,748)
<b>LOSS CARRIED FORWARD</b>		(153,891)	(116,090)

The notes on pages 8 to 12 form part of these financial statements.



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HEADINGTON SCHOOL SERVICES LIMITED

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE 11 MONTHS ENDED 31 JULY 2006

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	11 months ended 31 July 2006 £	12 months ended 31 August 2005 £
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(37,801)	26,613
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE 11 MONTHS	(37,801)	26,613
Prior year adjustment	-	(164,241)
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS	(37,801)	(137,628)

The notes on pages 8 to 12 form part of these financial statements.

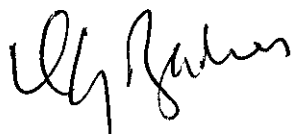
**HEADINGTON SCHOOL SERVICES LIMITED**

**BALANCE SHEET  
AS AT 31 JULY 2006**

	Note	31 July 2006 £	£	31 August 2005 £	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	4		767,024		777,830
<b>CURRENT ASSETS</b>					
Stocks		517		644	
Debtors	5	21,941		122,415	
Cash at bank and in hand		26,440		17,826	
		<u>48,898</u>		<u>140,885</u>	
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(15,907)</u>		<u>(80,899)</u>	
<b>NET CURRENT ASSETS</b>			<u>32,991</u>		<u>59,986</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>800,015</u>		<u>837,816</u>
<b>CREDITORS: amounts falling due after more than one year</b>	7		<u>(953,902)</u>		<u>(953,902)</u>
<b>NET LIABILITIES</b>			<u>(153,887)</u>		<u>(116,086)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		4		4
Profit and loss account			<u>(153,891)</u>		<u>(116,090)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(153,887)</u>		<u>(116,086)</u>

The financial statements have been 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 January 2005).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2006.



Director

The notes on pages 8 to 12 form part of these financial statements.

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## HEADINGTON SCHOOL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS ENDED 31 JULY 2006

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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 the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

##### 1.4 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:

Leasehold Property	-	2%	straight line
Fixtures and fittings	-	10 - 25%	straight line or reducing balance

Fixtures and fittings are either depreciated at 10% straight line, 25% straight line or 25% reducing balance.

##### 1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.6 Going concern

At the balance sheet date, the company had net liabilities of £153,887 (2005: £116,085).

The company is relying on the continued support of its parent company, which has expressed its willingness to provide continued financial support.

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## HEADINGTON SCHOOL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS ENDED 31 JULY 2006

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#### 2. OPERATING PROFIT

The operating profit is stated after charging:

	11 months ended 31 July 2006	12 months ended 31 August 2005
	£	£
Depreciation of tangible fixed assets: - owned by the company	26,018	28,422
Auditors' remuneration	3,000	2,600
	<u>29,018</u>	<u>31,022</u>

During the 11 months, no director received any emoluments (2005 - £NIL).

#### 3. TAXATION

	11 months ended 31 July 2006	12 months ended 31 August 2005
	£	£
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(799)
	<u>-</u>	<u>(799)</u>
<b>Tax on profit/(loss) on ordinary activities</b>	<u>-</u>	<u>(799)</u>

##### Factors affecting tax charge for the 11 months

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company.

##### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# **HEADINGTON SCHOOL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS ENDED 31 JULY 2006**

### **4. TANGIBLE FIXED ASSETS**

	Leasehold property £	Fixtures and Fittings £	Total £
<b>Cost</b>			
At 1 September 2005	943,306	56,851	1,000,157
Additions	40	21,020	21,060
Disposals	-	(7,799)	(7,799)
At 31 July 2006	<u>943,346</u>	<u>70,072</u>	<u>1,013,418</u>
<b>Depreciation</b>			
At 1 September 2005	183,107	39,220	222,327
Charge for the 11 months	18,467	7,551	26,018
On disposals	-	(1,951)	(1,951)
At 31 July 2006	<u>201,574</u>	<u>44,820</u>	<u>246,394</u>
<b>Net book value</b>			
At 31 July 2006	<u>741,772</u>	<u>25,252</u>	<u>767,024</u>
At 31 August 2005	<u>760,199</u>	<u>17,631</u>	<u>777,830</u>

### **5. DEBTORS**

	31 July 2006 £	31 August 2005 £
Trade debtors	18,101	117,652
Amounts owed by group undertakings	-	4,378
Other debtors	3,840	385
	<u>21,941</u>	<u>122,415</u>

### **6. CREDITORS: Amounts falling due within one year**

	31 July 2006 £	31 August 2005 £
Trade creditors	-	5,956
Amounts owed to group undertakings	821	38,955
Social security and other taxes	5,309	8,938
Other creditors	9,777	27,050
	<u>15,907</u>	<u>80,899</u>

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HEADINGTON SCHOOL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 11 MONTHS ENDED 31 JULY 2006

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7. CREDITORS:  
Amounts falling due after more than one year

	31 July 2006	31 August 2005
	£	£
Amounts owed to group undertakings	953,902	953,902

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

8. DEFERRED TAXATION

	31 July 2006	31 August 2005
	£	£
At 1 September 2005	-	799
Charge for/(released during) the 11 months	-	(799)

The provision for deferred taxation is made up as follows:

	31 July 2006	31 August 2005
	£	£
	-	-

9. SHARE CAPITAL

	31 July 2006	31 August 2005
	£	£
<b>Authorised</b>		
100 Ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
4 Ordinary shares of £1 each	4	4

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## HEADINGTON SCHOOL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS ENDED 31 JULY 2006

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#### 10. CAPITAL COMMITMENTS

At 31 July 2006 the company had capital commitments as follows:

	31 July 2006 £	31 August 2005 £
Contracted for but not provided in these financial statements	<u>18,297</u>	<u>-</u>

#### 11. RELATED PARTY TRANSACTIONS

Under the provision of Financial Reporting Standards No. 8, related party transactions within group entities are exempt from disclosure as all the entities are included within the consolidated financial statements of Headington School Oxford Limited, the ultimate parent undertaking.

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

The directors regard Headington School Oxford Limited (registered charity number 309678, registered company number 141076) as the ultimate parent undertaking and controlling party. A copy of the ultimate parent's consolidated financial statements may be obtained from Headington School Oxford Limited, Headington Road, Oxford, OX3 0BL.

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HEADINGTON SCHOOL SERVICES LIMITED

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DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE 11 MONTHS ENDED 31 JULY 2006

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	Page	11 months ended 31 July 2006 £	12 months ended 31 August 2005 £
<b>TURNOVER</b>	14	<b>172,774</b>	298,179
<b>LESS: OVERHEADS</b>			
Administration expenses	14	(168,401)	(226,903)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		<b>4,373</b>	71,276
Interest payable	14	(42,174)	(45,462)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT FOR THE 11 MONTHS</b>		<b>(37,801)</b>	25,814
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**HEADINGTON SCHOOL SERVICES LIMITED**

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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE 11 MONTHS ENDED 31 JULY 2006**

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	11 months ended 31 July 2006 £	12 months ended 31 August 2005 £
<b>TURNOVER</b>		
Rent receivable	138,320	264,905
Other income	34,454	33,274
	<u>172,774</u>	<u>298,179</u>

	11 months ended 31 July 2006 £	12 months ended 31 August 2005 £
<b>ADMINISTRATION EXPENSES</b>		
Theatre ticket sales cost	40,542	44,316
Letting expenses	21,599	63,446
Swimming pool and sports hall expenses	9,347	11,779
Repairs and maintenance	9,225	18,958
Rent - operating leases	15,000	17,900
Legal and professional	15	15
Light and heat	43,834	36,299
Water	616	1,979
Bank charges	359	605
Printing and stationery	383	584
Auditors' remuneration	3,000	2,600
Sundry expenses	413	-
Depreciation - fixture and fittings	7,551	9,556
Depreciation - leasehold property	18,467	18,866
Profit on sale of tangible assets	(1,950)	-
	<u>168,401</u>	<u>226,903</u>

	11 months ended 31 July 2006 £	12 months ended 31 August 2005 £
<b>INTEREST PAYABLE</b>		
Interest payable to group undertaking	<u>42,174</u>	<u>45,462</u>