

HEADINGTON SCHOOL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2007



HEADINGTON SCHOOL SERVICES LIMITED

COMPANY INFORMATION

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
Carnock House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

HEADINGTON SCHOOL SERVICES LIMITED

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HEADINGTON SCHOOL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2007

The directors present their report and the financial statements for the year ended 31 July 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

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 £209,979 compared to £172,774 for the previous 11 month period. The accounts show a loss of £21,323 (2006 £37,801).

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.

DIRECTORS

The directors who served during the year were

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

HEADINGTON SCHOOL SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2007**

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 29 NOVEMBER 2007 and signed on its behalf



Mr R G Barnes
Director

HEADINGTON SCHOOL SERVICES LIMITED

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

We have audited the financial statements of Headington School Services Limited for the year ended 31 July 2007 set out on pages 5 to 10. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 Annual 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.

HEADINGTON SCHOOL SERVICES LIMITED

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

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 2007 and of its loss for the year 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

4 December 2007

HEADINGTON SCHOOL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2007

	Note	12 months ended 31 July 2007 £	11 months ended 31 July 2006 £
TURNOVER	1	209,979	172,774
Administrative expenses		(179,358)	(168,401)
OPERATING PROFIT	2	30,621	4,373
Interest payable		(51,944)	(42,174)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(21,323)	(37,801)
Tax on loss on ordinary activities		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	8	(21,323)	(37,801)

The notes on pages 7 to 10 form part of these financial statements

HEADINGTON SCHOOL SERVICES LIMITED

**BALANCE SHEET
AS AT 31 JULY 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	3		<u>753,259</u>		<u>767,024</u>
CURRENT ASSETS					
Stocks		427		517	
Debtors	4	12,303		21,941	
Cash at bank and in hand		<u>40,877</u>		<u>26,440</u>	
		53,607		48,898	
CREDITORS: amounts falling due within one year	5	<u>(28,174)</u>		<u>(15,907)</u>	
NET CURRENT ASSETS			<u>25,433</u>		<u>32,991</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>778,692</u>		<u>800,015</u>
CREDITORS: amounts falling due after more than one year	6		<u>(953,902)</u>		<u>(953,902)</u>
NET LIABILITIES			<u>(175,210)</u>		<u>(153,887)</u>
CAPITAL AND RESERVES					
Called up share capital	7		4		4
Profit and loss account	8		<u>(175,214)</u>		<u>(153,891)</u>
SHAREHOLDERS' FUNDS			<u>(175,210)</u>		<u>(153,887)</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 29 November 2007



Mr R G Barnes
Director

The notes on pages 7 to 10 form part of these financial statements

HEADINGTON SCHOOL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

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 Going concern

At the balance sheet date, the company had net liabilities of £175,210 (2006 £153,887)

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

2. OPERATING PROFIT

The operating profit is stated after charging

	12 months ended 31 July 2007 £	11 months ended 31 July 2006 £
Depreciation of tangible fixed assets		
- owned by the company	32,042	26,018
Auditors' remuneration	3,125	3,000
	<hr/>	<hr/>

During the year, no director received any emoluments (2006 - £NIL)

HEADINGTON SCHOOL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

3. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and Fittings £	Total £
Cost			
At 1 August 2006	943,346	70,072	1,013,418
Additions	-	18,499	18,499
Disposals	-	(1,250)	(1,250)
At 31 July 2007	<u>943,346</u>	<u>87,321</u>	<u>1,030,667</u>
Depreciation			
At 1 August 2006	201,574	44,820	246,394
Charge for the year	18,467	13,575	32,042
On disposals	-	(1,028)	(1,028)
At 31 July 2007	<u>220,041</u>	<u>57,367</u>	<u>277,408</u>
Net book value			
At 31 July 2007	<u>723,305</u>	<u>29,954</u>	<u>753,259</u>
At 31 July 2006	<u>741,772</u>	<u>25,252</u>	<u>767,024</u>

4. DEBTORS

	2007 £	2006 £
Trade debtors	9,646	18,101
Other debtors	2,657	3,840
	<u>12,303</u>	<u>21,941</u>

5 CREDITORS.

Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	4,176	821
Social security and other taxes	10,707	5,309
Other creditors	13,291	9,777
	<u>28,174</u>	<u>15,907</u>

HEADINGTON SCHOOL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

6. CREDITORS:

Amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>953,902</u>	<u>953,902</u>

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.

7. SHARE CAPITAL

	2007 £	2006 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

8. RESERVES

	Profit and loss account £
At 1 August 2006	(153,891)
Loss retained for the year	<u>(21,323)</u>
At 31 July 2007	<u>(175,214)</u>

9. CAPITAL COMMITMENTS

At 31 July 2007 the company had capital commitments as follows

	2007 £	2006 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>18,297</u>

10. 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.

HEADINGTON SCHOOL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

11 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.