

**HEADINGTON SCHOOL SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2010**

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## HEADINGTON SCHOOL SERVICES LIMITED

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### COMPANY INFORMATION

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**DIRECTORS** R G Barnes (resigned 23 October 2009)  
C S Bevan  
G A Paine  
H Batchelor (appointed 23 October 2009)

**COMPANY SECRETARY** M A Clarkson

**COMPANY NUMBER** 2677494

**REGISTERED OFFICE** The Bursary  
Headington School  
Headington Road  
Oxford  
Oxfordshire  
OX3 0BL

**AUDITOR** Crowe Clark Whitehill LLP  
(formerly Horwath Clark Whitehill LLP)  
Carnick 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 YEAR ENDED 31 JULY 2010

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The directors present their report and the financial statements for the year ended 31 July 2010

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

#### PRINCIPAL ACTIVITIES

The principal activities of the company are 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 £304,474 compared to £262,268 in the previous year. The financial statements show a profit of £246,549 (2009 loss of £20,142). This includes the £268,841 as the amount of loan forgone by the School in respect of the expiry of the lease. Excluding this transaction, the loss for the year is £22,292. The company made a gift aid donation of £57,433 (2009 £32,261) to the School, with the result that it has a nil annual corporation tax liability.

The lease in respect of the swimming pool expired on 31 August 2010, although it has been accounted for in these financial statements. This has resulted in transferring the swimming pool and related assets from Headington School Services Limited to the School and effectively cancelling the related loan.

#### DIRECTORS

The directors who served during the year were

R G Barnes (resigned 23 October 2009)  
C S Bevan  
G A Paine  
H Batchelor (appointed 23 October 2009)

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## HEADINGTON SCHOOL SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2010

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#### PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

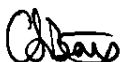
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

#### AUDITOR

On 1 October 2010, Horwath Clark Whitehill LLP changed its name to Crowe Clark Whitehill LLP. Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as auditor.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 November 2010 and signed on its behalf



**C S Bevan**  
Director

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## **HEADINGTON SCHOOL SERVICES LIMITED**

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### **INDEPENDENT AUDITOR'S 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 year ended 31 July 2010, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## HEADINGTON SCHOOL SERVICES LIMITED

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

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#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

Michael Hall (Senior statutory auditor)

For and on behalf of

**CROWE CLARK WHITEHILL LLP**

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

3 December 2010

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**HEADINGTON SCHOOL SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2010**

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	Note	2010 £	2009 £
<b>TURNOVER</b>	1	<b>304,474</b>	<b>262,268</b>
Administrative expenses		<b>(261,686)</b>	<b>(227,096)</b>
<b>OPERATING PROFIT</b>	2	<b>42,788</b>	<b>35,172</b>
Amount of loan forgone by the School		<b>268,841</b>	-
Gift aid to Headington School		<b>(57,433)</b>	<b>(32,261)</b>
Interest payable		<b>(7,647)</b>	<b>(23,053)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>246,549</b>	<b>(20,142)</b>
Tax on profit/(loss) on ordinary activities		-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	8	<b>246,549</b>	<b>(20,142)</b>

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




**HEADINGTON SCHOOL SERVICES LIMITED**  
**REGISTERED NUMBER: 2677494**

**BALANCE SHEET**  
**AS AT 31 JULY 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	3		173,965		695,657
<b>CURRENT ASSETS</b>					
Stocks		1,851		419	
Debtors	4	61,598		58,013	
Cash at bank and in hand		123,145		90,059	
		<u>186,594</u>		<u>148,491</u>	
<b>CREDITORS: amounts falling due within one year</b>	5	<u>(141,906)</u>		<u>(109,978)</u>	
<b>NET CURRENT ASSETS</b>			<u>44,688</u>		<u>38,513</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>218,653</u>		<u>734,170</u>
<b>CREDITORS amounts falling due after more than one year</b>	6		<u>(191,836)</u>		<u>(953,902)</u>
<b>NET ASSETS/(LIABILITIES)</b>			<u><u>26,817</u></u>		<u><u>(219,732)</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		4		4
Profit and loss account	8		<u>26,813</u>		<u>(219,736)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>			<u><u>26,817</u></u>		<u><u>(219,732)</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 November 2010



**C S Bevan**  
Director

The notes on pages 7 to 10 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 YEAR ENDED 31 JULY 2010

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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 April 2008)

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities on page 1

##### 1.2 Cash flow

The financial statements do not include a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 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 & fittings	-	10-25% straight line or reducing balance

##### 1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

#### 2. OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	28,466	28,151
Auditor's remuneration	3,465	3,365
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During the year, no director received any emoluments (2009 - £NIL)

# **HEADINGTON SCHOOL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010**

### **3 TANGIBLE FIXED ASSETS**

	Leasehold Property £	Fixtures and Fittings £	Total £
<b>Cost</b>			
At 1 August 2009	943,346	82,357	1,025,703
Transfer of swimming pool cost to School	(746,572)	(81,272)	(827,844)
At 31 July 2010	196,774	1,085	197,859
<b>Depreciation</b>			
At 1 August 2009	257,774	72,272	330,046
Charge for the year	18,867	9,599	28,466
Transfer of swimming pool depreciation to School	(253,832)	(80,786)	(334,618)
At 31 July 2010	22,809	1,085	23,894
<b>Net book value</b>			
At 31 July 2010	173,965	-	173,965
At 31 July 2009	685,572	10,085	695,657

During the year the swimming pool and related assets were transferred to Headington School Oxford Limited as part of the expiry of the lease See note 6

### **4. DEBTORS**

	2010 £	2009 £
Trade debtors	6,695	7,792
Sundry debtors and accrued income	54,903	50,221
	61,598	58,013

### **5 CREDITORS**

**Amounts falling due within one year**

	2010 £	2009 £
Trade creditors	3,759	8,204
Amounts owed to group undertakings	55,482	30,431
Social security and other taxes	6,830	10,676
Accruals	40,835	25,667
Other creditors	35,000	35,000
	141,906	109,978

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## HEADINGTON SCHOOL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010

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**6. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>191,836</b>	<b>953,902</b>

The lease in respect of the swimming pool collapsed on 31 August 2010, although it has been accounted for in these financial statements. This has resulted in transferring the net book value of the swimming pool and related assets from Headington School Services Limited to the School and cancelling the related loan, amounting to £762,066. The difference between the net book value of the assets transferred and the loan amounts to £268,841 and this has been included as other income in the financial statements this year, which is effectively the amount of loan forgone by the School. Amounts of £485 transferred to the School relating to sundry swimming equipment have not been capitalised in the School. This transaction has no corporation tax implications.

The remaining loan relates to the library and is repayable by 31 July 2030. Interest is charged at base rate.

**7 SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
4 Ordinary shares of £1 each	<b>4</b>	<b>4</b>

**8. RESERVES**

	<b>Profit and loss account</b>
	<b>£</b>
At 1 August 2009	<b>(219,736)</b>
Profit for the year	<b>246,549</b>
At 31 July 2010	<b>26,813</b>

**9 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.

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**HEADINGTON SCHOOL SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2010**

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**10 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 YEAR ENDED 31 JULY 2010**

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	<b>Page</b>	<b>2010 £</b>	<b>2009 £</b>
<b>TURNOVER</b>	12	<b>304,474</b>	<b>262,268</b>
<b>LESS: OVERHEADS</b>			
Administration expenses	12	<b>(261,686)</b>	<b>(227,096)</b>
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		<b>42,788</b>	<b>35,172</b>
Interest payable	12	<b>(7,647)</b>	<b>(23,053)</b>
Amount of loan forgone by the School	12	<b>211,408</b>	<b>(32,261)</b>
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<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>246,549</b>	<b>(20,142)</b>
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**HEADINGTON SCHOOL SERVICES LIMITED**

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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2010**

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	2010 £	2009 £
<b>TURNOVER</b>		
Rent receivable	256,580	209,022
Other income	47,894	53,246
	<u>304,474</u>	<u>262,268</u>
	2010 £	2009 £
<b>ADMINISTRATION EXPENSES</b>		
Printing and stationery	303	407
Legal and professional	365	430
Auditor's remuneration	3,465	3,365
Letting expenses	114,411	71,187
Bank charges	510	1,060
Purchase of School uniform	1,823	-
Rent - operating leases	5,000	5,000
Rowing expenses	-	15
Light and heat	56,368	51,895
Theatre expenses	23,991	34,969
Insurances	140	-
Repairs and maintenance	17,914	20,552
Swimming pool and sports hall	8,929	9,384
Depreciation - fixtures and fittings	9,600	9,284
Depreciation - leasehold property	18,867	18,867
Loss on sale of tangible assets	-	681
	<u>261,686</u>	<u>227,096</u>
	2010 £	2009 £
<b>INTEREST PAYABLE</b>		
Other loan interest payable	7,647	23,053
	<u>7,647</u>	<u>23,053</u>
	2010 £	2009 £
<b>OTHER INCOME/(EXPENDITURE)</b>		
Amount of loan forgone by the School	268,841	-
Gift aid to Headington School	(57,433)	(32,261)
	<u>211,408</u>	<u>(32,261)</u>