

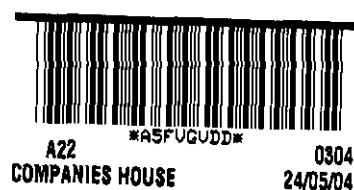
# financial statements

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## **The School Shop Limited**

For the year ended 31 July 2003

Company registration number: 03879703



# The School Shop Limited

## Financial Statements

Year ended 31 July 2003

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# **The School Shop Limited**

## **Officers and Professional Advisers**

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### **The Board of Directors**

P Pauley  
H A Pauley

### **Company Secretary**

H A Pauley

### **Auditors**

MacIntyre Hudson  
Chartered Accountants  
& Registered Auditors  
Moorgate House  
201 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 1LZ

# The School Shop Limited

## The Directors' Report

Year ended 31 July 2003

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2003.

### Principal activities

The principal activity of the company during the year was the sale of school uniform and associated merchandise, and garden maintenance for the other group companies.

On 31 March 2003, the entire share capital of the company was acquired by Pauley Group Limited, in a share for share arrangement, and consequently became a wholly owned subsidiary of Pauley Group Limited.

### The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 July 2003	At 1 August 2002
P Pauley	-	100
H A Pauley	-	100

The directors' interests in the shares of the ultimate holding company, Pauley Group Limited are as disclosed in that company's financial statements.

### Directors' responsibilities

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

### Auditors

A resolution to re-appoint MacIntyre Hudson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# The School Shop Limited

## The Directors' Report *(continued)*

Year ended 31 July 2003

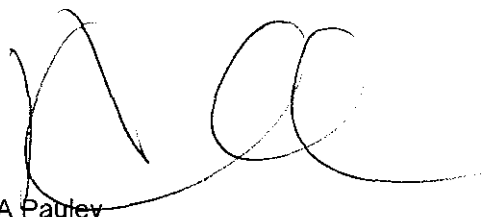
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### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Signed by order of the directors



H A Pauley  
Company Secretary

Approved by the directors on 10-5-04

# **The School Shop Limited**

## **Independent Auditors' Report to the Shareholders**

**Year ended 31 July 2003**

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We have audited the financial statements which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and on the basis of the accounting policies set out therein.

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 the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

# The School Shop Limited

## Independent Auditors' Report to the Shareholders *(continued)*

Year ended 31 July 2003

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### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Macintyre Hudson

Moorgate House  
201 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 1LZ

MACINTYRE HUDSON  
Chartered Accountants  
& Registered Auditors

19 May 2004

# The School Shop Limited

## Profit and Loss Account

Year ended 31 July 2003

	Note	2003 £	2002 £
Turnover		129,305	—
Cost of sales		78,595	—
<b>Gross profit</b>		<u>50,710</u>	—
Administrative expenses		19,449	—
<b>Operating profit</b>		<u>31,261</u>	—
Interest receivable		15	—
Interest payable		(4)	—
<b>Profit on ordinary activities before taxation</b>		<u>31,272</u>	—
Tax on profit on ordinary activities		5,939	—
<b>Retained profit for the financial year</b>		<u><u>£25,333</u></u>	—

The accounting policies and notes on pages 8 to 10 form part of these financial statements.



# The School Shop Limited

## Balance Sheet

31 July 2003

	Note	2003 £	£	2002 £
<b>Current assets</b>				
Stocks		101,036		—
Debtors	1	10,820		—
Cash at bank and in hand		35,206		100
		<u>147,062</u>		<u>100</u>
<b>Creditors: amounts falling due within one year</b>	2	<u>121,629</u>		—
<b>Net current assets</b>			<u>25,433</u>	<u>100</u>
<b>Total assets less current liabilities</b>			<u>25,433</u>	<u>100</u>
<b>Capital and reserves</b>				
Called-up equity share capital	4		100	100
Profit and loss account	5		<u>25,333</u>	—
<b>Shareholders' funds</b>			<u>£25,433</u>	<u>£100</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 10-5-04 and are signed on their behalf by:



P Pauley  
Director

The accounting policies and notes on pages 8 to 10 form part of these financial statements.

# **The School Shop Limited**

## **Accounting Policies**

**Year ended 31 July 2003**

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year.

### **Stocks**

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

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# The School Shop Limited

## Notes to the Financial Statements

Year ended 31 July 2003

### 1. Debtors

	2003 £	2002 £
Other debtors	<u>10,820</u>	<u>—</u>

### 2. Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	23,098	—
Amounts owed to group undertakings	92,213	—
Corporation tax	5,939	—
Other creditors	379	—
	<u>£121,629</u>	<u>—</u>

### 3. Related party transactions

On 31 March 2003, the entire share capital of the company was acquired by Pauley Group Limited, in a share for share arrangement, and consequently became a wholly owned subsidiary of Pauley Group Limited.

The directors of this company, together with close family members, control Pauley Group Limited. Other subsidiaries of Pauley Group Limited were, prior to this date, related to the company as they were under the control of the same directors and their close family members. Transactions with these companies were as follows:

During the year the company sold garden maintenance services totalling £17,744 (2002: £nil) to Milton Keynes Preparatory School Limited. The company purchased stock totalling £90,940 (2002: £nil) from Milton Keynes Preparatory School Limited on 1 August 2002. At the year end, the company owed Milton Keynes Preparatory School Limited £92,213.

During the year the company sold garden maintenance services totalling £1,360 (2002: £nil) to Ravenstone House (Redbourn) Limited.

At the end of the year, Pauley Properties Limited owed the company £10,599.

All these transactions were carried out on an arms length basis.

### 4. Share capital

#### Authorised share capital:

	2003 £	2002 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# The School Shop Limited

## Notes to the Financial Statements

Year ended 31 July 2003

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### 5. Profit and loss account

	2003 £	2002 £
Retained profit for the financial year	<u>25,333</u>	—
Balance carried forward	<u>£25,333</u>	<u>—</u>

### 6. Ultimate parent company

The ultimate parent undertaking is Pauley Group Limited a company registered in England.

In the opinion of the directors there is no single controlling party of the parent company.