

REGISTRAR

financial statements

The School Shop Limited

For the year ended 31 July 2011

Company registration number 03879703

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The School Shop Limited

Financial Statements

Year ended 31 July 2011

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The School Shop Limited

The Directors' Report

Year ended 31 July 2011

The directors present their report and the financial statements of the company for the year ended 31 July 2011

Principal activities

The principal activity of the company during the year was the sale of school uniform and associated merchandise

Directors

The directors who served the company during the year were as follows

H A Pauley

P Pauley

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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

The School Shop Limited

The Directors' Report *(continued)*

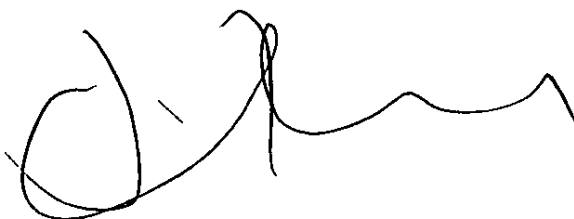
Year ended 31 July 2011

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
School House
Tattenhoe Lane
Bletchley
Milton Keynes
Buckinghamshire
MK3 7EG

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'H A Pauley', written over a horizontal line.

H A Pauley
Company Secretary

Approved by the directors on 30 March 2012

The School Shop Limited

Independent Auditor's Report to the Shareholders of The School Shop Limited

Year ended 31 July 2011

We have audited the financial statements of The School Shop Limited for the year ended 31 July 2011 which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies and the related notes. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on page 1, 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 and express an opinion on 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 (APB'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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

The School Shop Limited

Independent Auditor's Report to the Shareholders of The School Shop Limited (continued)

Year ended 31 July 2011

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

MHA MacIntyre Hudson LLP

Gary Ives FCA
Senior Statutory Auditor
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

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

20 March 2012

The School Shop Limited

Profit and Loss Account

Year ended 31 July 2011

	Note	2011 £	2010 £
Turnover		3,045	5,107
Cost of sales		<u>2,579</u>	<u>2,160</u>
Gross profit		466	2,947
Administrative expenses		<u>618</u>	(2,419)
Operating (loss)/profit	2	(152)	5,366
Interest payable and similar charges		<u>(25)</u>	96
(Loss)/profit on ordinary activities before taxation		(127)	5,270
Tax on (loss)/profit on ordinary activities	3	(436)	–
Profit for the financial year		<u>£309</u>	<u>£5,270</u>

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

The School Shop Limited

Balance Sheet

31 July 2011

	Note	2011 £	£	2010 £
Current assets				
Stocks		3,668		3,530
Debtors	4	15,433		11,807
Cash at bank		173		3,437
		<u>19,274</u>		<u>18,774</u>
Creditors: amounts falling due within one year	5	<u>146,179</u>		<u>145,988</u>
Net current liabilities			(126,905)	(127,214)
Total assets less current liabilities			<u>£(126,905)</u>	<u>£(127,214)</u>
Capital and reserves				
Called-up equity share capital	8		1,000	1,000
Profit and loss account	9		(127,905)	(128,214)
Deficit			<u>£(126,905)</u>	<u>£(127,214)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 30 March 2012, and are signed on their behalf by



H A Pauley
Director

Company Registration Number 03879703

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

The School Shop Limited

Accounting Policies

Year ended 31 July 2011

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared on a going concern basis, which is dependent on the continued support of the ultimate parent company, Pauley Group Limited, and its subsidiaries. The directors of Pauley Group Limited have confirmed that the company will continue to provide such support for the foreseeable future.

The company is a member of the Pauley Group of companies, which has considerable financial resources. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods provided during the year, net of Value Added Tax.

Stocks

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

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 exception:

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The School Shop Limited

Notes to the Financial Statements

Year ended 31 July 2011

1. Audit fee

The audit fee for this company has been borne by Milton Keynes Preparatory School Limited

2. Operating (loss)/profit

Operating (loss)/profit is stated after crediting

	2011 £	2010 £
Directors' remuneration	—	—

3. Taxation on ordinary activities

Analysis of charge in the year

	2011 £	2010 £
Current tax		
Other adjustments	(436)	—
Total current tax	£(436)	—

4. Debtors

	2011 £	2010 £
Trade debtors	5,498	6,231
Amounts owed by group undertakings	9,035	4,676
Called up share capital not paid	900	900
	£15,433	£11,807

Included in trade debtors is an amount of £4,765 which is due after more than one year (2010 - £5,498)

Within other debtors is an amount of £900 (2010 £900) due from P Pauley, a company director. The maximum outstanding balance during the year was £900 (2010 £900). The loan is interest free with no fixed term of repayment.

The School Shop Limited

Notes to the Financial Statements

Year ended 31 July 2011

5. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	465	1,293
Amounts owed to group undertakings	144,214	144,654
Other creditors	1,486	—
Accruals and deferred income	14	41
	<u>£146,179</u>	<u>£145,988</u>

6. Deferred taxation

Due to uncertainties surrounding the company's ability to generate future taxable profits, no deferred tax asset has been included within the financial statements

If a deferred tax asset had been included it would have amounted to £5,794 (2010 - £5,860), being £4,321 (2010 - £3,926) calculated at 20% (2010 - 21%) of the taxable losses carried forward, and £1,473 (2010 - £1,934) calculated at 20% (2010 - 21%) of the timing difference between depreciation charged in the financial statements and the capital allowances claimed in calculating the taxable profits

7. Related party transactions

The company has taken advantage of the exemption conferred by the Financial Reporting Standard for Small Entities (effective April 2008) not to disclose transactions with members of the group headed by Pauley Group Limited on the grounds that at least 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

H A Pauley, a company director has provided a personal guarantee of £2,150,000 in respect of the group bank loan facility, supported by a legal charge over part of the group's land and buildings, including Broughton Manor Preparatory School

A composite bank agreement is in force as at 31 July 2011, under which The School Shop Limited is jointly liable for any bank liabilities incurred within Pauley Group Limited along with all other group companies named within this agreement. The total liability outstanding as at 31 July 2011 was £5,266,234 (2010 £4,901,761)

The School Shop Limited

Notes to the Financial Statements

Year ended 31 July 2011

8. Share capital Allotted and called up:

	2011 No	£	2010 No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows

	2011 £	2010 £
Ordinary shares	<u>900</u>	<u>900</u>

9. Profit and loss account

	2011 £	2010 £
Balance brought forward	(128,214)	(133,484)
Profit for the financial year	<u>309</u>	<u>5,270</u>
Balance carried forward	<u>£(127,905)</u>	<u>£(128,214)</u>

10. Ultimate parent company

The ultimate parent undertaking is Pauley Group Limited

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

The consolidated accounts of the group are available to the public from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ