

Company Registration No 04696340 (England and Wales)

**LONDON PREPARATORY SCHOOLS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

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# **LONDON PREPARATORY SCHOOLS LIMITED**

## **COMPANY INFORMATION**

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**Directors**

M Gardener  
E J Gardener  
R Philpotts  
M J Herington

**Secretary**

M J Herington

**Company number**

04696340

**Registered office**

Harwood House  
43 Harwood Road  
London  
SW6 4QP

**Auditors**

Warrener Stewart  
Harwood House  
43 Harwood Road  
London  
SW6 4QP

**Business address**

16 Ravenscourt Avenue  
Ravenscourt Park  
London  
W6 0SL

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# **LONDON PREPARATORY SCHOOLS LIMITED**

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# LONDON PREPARATORY SCHOOLS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JULY 2007**

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

### Principal activities

The principal activity of the company during the period was that of the provision of private schooling

### Directors

The following directors have held office since 1 August 2006

M Gardener  
E J Gardener  
R Philpotts  
M J Herington

### Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 July 2007	1 August 2006
M Gardener	39	39
E J Gardener	39	39
R Philpotts	22	22
M J Herington	-	-

Charitable donations	2007	2006
	£	£

During the year the company made the following payments

Charitable donations	5,355	8,211
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### Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Warrener Stewart, will be deemed to be reappointed for each succeeding financial year

# **LONDON PREPARATORY SCHOOLS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2007**

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### **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 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 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. 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.

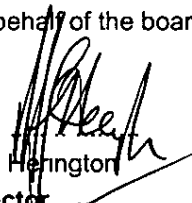
### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



M J Harrington  
Director

17/02/08

# **LONDON PREPARATORY SCHOOLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF LONDON PREPARATORY SCHOOLS LIMITED**

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We have audited the financial statements of London Preparatory Schools Limited for the year ended 31 July 2007 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 members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the 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 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 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.

# **LONDON PREPARATORY SCHOOLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE SHAREHOLDERS OF LONDON PREPARATORY SCHOOLS 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 2007 and of its profit for the year then ended,
- the information given in the directors' report is consistent with the financial statements



**Warrener Stewart**

13/03/08

Chartered Accountants

**Registered Auditor**

Harwood House  
43 Harwood Road  
London  
SW6 4QP

# LONDON PREPARATORY SCHOOLS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 JULY 2007**

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		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		5,144,325	4,406,449
Cost of sales		(2,757,717)	(2,327,670)
<b>Gross profit</b>		2,386,608	2,078,779
Distribution costs		(500)	-
Administrative expenses		(1,664,619)	(1,540,264)
<b>Operating profit</b>	<b>2</b>	721,489	538,515
Other interest receivable and similar income	<b>3</b>	12,689	2,977
<b>Profit on ordinary activities before taxation</b>		734,178	541,492
Tax on profit on ordinary activities	<b>4</b>	(245,467)	(147,037)
<b>Profit for the year</b>	<b>12</b>	488,711	394,455

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# LONDON PREPARATORY SCHOOLS LIMITED

## BALANCE SHEET AS AT 31 JULY 2007

	Notes	£	2007 £	£	2006 £
<b>Fixed assets</b>					
Intangible assets	5		1,400,000		1,487,500
Tangible assets	6		1,471,027		1,466,206
			<u>2,871,027</u>		<u>2,953,706</u>
<b>Current assets</b>					
Debtors	7	215,776		184,307	
Cash at bank and in hand		140,641		72,125	
		<u>356,417</u>		<u>256,432</u>	
<b>Creditors, amounts falling due within one year</b>	8	(424,293)		(376,289)	
<b>Net current liabilities</b>			(67,876)		(119,857)
<b>Total assets less current liabilities</b>			<u>2,803,151</u>		<u>2,833,849</u>
<b>Creditors, amounts falling due after more than one year</b>	9		(1,541,712)		(2,077,717)
<b>Provisions for liabilities and charges</b>	10		(77,596)		(61,000)
			<u>1,183,843</u>		<u>695,132</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss account	12		1,183,743		695,032
<b>Shareholders' funds</b>			<u>1,183,843</u>		<u>695,132</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board on 12/02/08

*M Gardener*  
M Gardener  
Director

*E J Gardener*  
E J Gardener  
Director

# LONDON PREPARATORY SCHOOLS LIMITED

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

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services

#### 1.3 Goodwill

Goodwill arising on business acquisitions is capitalised as an intangible fixed asset in the year of acquisition and amortised to the profit and loss account over its useful economic life. Rates of amortisation are specific to each acquisition and are detailed within note 5 to the financial statements.

The company's accounting policy in relation to goodwill is reviewed in the light of the circumstances of each acquisition.

#### 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold costs	4 % on net book value
Fixtures, fittings & equipment	25 % on net book value

#### 1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.6 Deferred taxation

Full provision is made at current rates for deferred tax in respect of all timing differences, other than permanent differences, that have originated but not reversed by the balance sheet date. Deferred tax balances are not discounted.

### 2 Operating profit

	2007 £	2006 £
Operating profit is stated after charging		
Amortisation of intangible assets	87,500	87,500
Depreciation of tangible assets	101,821	104,614
Auditors' remuneration	3,525	3,525
Directors' emoluments	169,027	172,083

# LONDON PREPARATORY SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

<b>3</b>	<b>Investment income</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Bank interest	12,689	2,977
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Taxation</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	228,871	137,037
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	228,871	137,037
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	16,596	10,000
		<u>          </u>	<u>          </u>
		245,467	147,037
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Intangible fixed assets</b>		<b>Goodwill</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 August 2006 & at 31 July 2007		1,750,000
			<u>          </u>
	<b>Amortisation</b>		
	At 1 August 2006		262,500
	Charge for the year		87,500
			<u>          </u>
	At 31 July 2007		350,000
			<u>          </u>
	<b>Net book value</b>		
	At 31 July 2007		1,400,000
			<u>          </u>
	At 31 July 2006		1,487,500
			<u>          </u>

Goodwill represents the acquisition on 1 August 2003 of the trade and net assets of Ravenscourt Park Preparatory School for £1,750,000. This cost is being amortised over a period of 20 years.

# LONDON PREPARATORY SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 6 Tangible fixed assets

	Leasehold costs £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 August 2006	1,454,130	269,002	1,723,132
Additions	72,475	35,842	106,642
At 31 July 2007	1,526,605	304,844	1,829,774
<b>Depreciation</b>			
At 1 August 2006	136,924	120,002	256,926
Charge for the year	55,587	46,301	101,821
At 31 July 2007	192,511	166,303	358,747
<b>Net book value</b>			
At 31 July 2007	1,334,094	138,541	1,471,027
At 31 July 2006	1,371,206	149,000	1,466,206

### 7 Debtors

	2007 £	2006 £
Trade debtors	55,101	-
Other debtors	160,675	184,307
	215,776	184,307

# LONDON PREPARATORY SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

8	Creditors, amounts falling due within one year	2007 £	2006 £
	Trade creditors	118,350	152,899
	Taxation and social security	297,706	200,307
	Other creditors	8,237	23,083
		<u>424,293</u>	<u>376,289</u>

9	Creditors: amounts falling due after more than one year	2007 £	2006 £
	Deposits held	972,783	906,940
	Amount due to related party	568,929	1,170,777
		<u>1,541,712</u>	<u>2,077,717</u>

10	Provisions for liabilities and charges	Deferred tax liability £
	Balance at 1 August 2006	61,000
	Profit and loss account	16,596
	Balance at 31 July 2007	<u>77,596</u>

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	<u>77,596</u>	<u>61,000</u>

# LONDON PREPARATORY SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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

## 12 Statement of movements on profit and loss account

### Profit and loss account £

Balance at 1 August 2006	695,032
Profit for the year	488,711
	<u>          </u>
Balance at 31 July 2007	1,183,743
	<u>          </u>

## 13 Financial commitments

At 31 July 2007 the company had annual commitments under non-cancellable property rental leases as follows

	2007	2006
	£	£
Expiry date		
In over five years	516,000	516,000
	<u>          </u>	<u>          </u>

## 14 Capital commitments

As at the balance sheet date, the company was party to a contract for significant redevelopment works at its leasehold premises in Kew, Surrey. This contract was only partly complete to 31 July 2007, with further committed expenditure of approximately £280,000 to be incurred in the financial year ending 31 July 2008.

# **LONDON PREPARATORY SCHOOLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007**

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### **15 Related party transactions**

Material balances and transactions with related parties arising during the year were as follows

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Ravenscourt Park Partnership</b>		
Rent	225,000	225,000
	<u>          </u>	<u>          </u>
<b>Debtors</b>		
Ravenscourt Park Partnership	-	5,217
	<u>          </u>	<u>          </u>
<b>Creditors due after more than one year</b>		
<b>Long term liabilities</b>		
Ravenscourt Park Partnership	568,929	1,170,777
	<u>          </u>	<u>          </u>

Repayment terms of this loan are variable at the discretion of the lender

#### **Nature of relationship and control**

M Gardener, E J Gardener and R Philpotts, directors and shareholders in this company, are equity partners in Ravenscourt Park Partnership