

Contents

**Financial statements for
the year ended 31 August 2001**

**Egerton Rothesay
School Limited**

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Egerton Rothesay School Limited

Company information

Director	F H Adkins
Secretary	C Martin
Company number	2226604
Registered office	St Thomas House 6 Becket Street Oxford OX1 1PP
Auditors	Mazars Neville Russell St Thomas House 6 Becket Street Oxford OX1 1PP
Business address	Durrants Lane Berkhamsted Herts HP4 3UJ
Bankers	Barclays Bank plc PO Box 87 22-24 Upper Marlborough Road St Albans Herts AL1 3HJ The Cooperative Bank 2/6 Alma Street Luton Bedfordshire LU1 1PN

Egerton Rothesay School Limited

Director's report For the year ended 31 August 2001

The director presents her report and financial statements for the year ended 31 August 2001.

Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

Director

The following director has held office since 1 September 2000:

F H Adkins

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 August 2001	1 September 2000
F H Adkins	10,000	10,000

Included in the above is a beneficial interest in 5000 shares which are at present controlled by the Executors of the Estate of J R Adkins. No right to subscribe for shares in the company was granted or exercised during the period.

Principal activities and review of the business

The principal activity of the company continued to be that of running an independent school.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

Future developments

The company intends to continue to improve performance following the results of the period.

Charitable contributions

During the year the company made charitable donations of £760 (2000: £170).

Egerton Rothesay School Limited

Director's report (continued) For the year ended 31 August 2001

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mazars Neville Russell be reappointed as auditors of the company will be put to the Annual General Meeting.

Approved by the board on18 January 2002
and signed on its behalf by

.....F.H. Adkins.....

F H Adkins

Director

Egerton Rothesay School Limited

Independent auditors' report

To the shareholders of Egerton Rothesay School Limited

We have audited the financial statements on pages 4 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of director and auditors

As described in the Statement of Directors' Responsibilities the company's director is 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 Accounting 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. We also report to you if, in our opinion, the director's 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 director's remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

Basis of 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 director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars Neville Russell

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
St Thomas House
6 Becket Street
Oxford
OX1 1PP

18 January 2002

Egerton Rothesay School Limited

Profit and loss account For the year ended 31 August 2001

		Year ended 31 August 2001	8 Months ended 31 August 2000 as restated
	Notes	£	£
Turnover	2	2,897,181	1,649,625
Cost of sales		(2,316,823)	(1,273,953)
Gross profit		580,358	375,672
Administrative expenses		(365,662)	(264,168)
Other operating income		-	452,330
Operating profit	3	214,696	563,834
Other interest receivable and similar income	4	15,529	3,512
Interest payable and similar charges	5	(4,204)	(31,275)
Profit on ordinary activities before taxation		226,021	536,071
Tax on profit on ordinary activities	8	(30,283)	(69,034)
Profit on ordinary activities after taxation	17	195,738	467,037

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Egerton Rothesay School Limited

Statement of total recognised gains and losses For the year ended 31 August 2001

	Year ended 31 August 2001	8 months ended 31 August 2000 as restated
	£	£
Profit for the financial year	195,738	467,037
Prior year adjustment	<u>(62,378)</u>	<u>-</u>
Total gains and losses recognised since last financial statements	<u><u>133,360</u></u>	<u><u>437,389</u></u>

Egerton Rothesay School Limited

Balance sheet

As at 31 August 2001

		2001		2000 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		1,454,087		1,514,385
Investments	10		100		100
			<u>1,454,187</u>		<u>1,514,485</u>
Current assets					
Stocks	11	19,686		20,384	
Debtors	12	65,828		73,746	
Cash at bank and in hand		<u>514,263</u>		<u>344,258</u>	
		599,777		438,388	
Creditors: amounts falling due within one year	13	<u>(961,117)</u>		<u>(909,406)</u>	
Net current liabilities			<u>(361,340)</u>		<u>(471,018)</u>
Total assets less current liabilities			1,092,847		1,043,467
Creditors: amounts falling due after more than one year	14		-		(140,208)
Accruals and deferred income	15		<u>(18,057)</u>		<u>(24,207)</u>
			<u>1,074,790</u>		<u>879,052</u>
Capital and reserves					
Share capital	16		10,000		10,000
Share premium account	17		5,269		5,269
Profit and loss account	17		<u>1,059,521</u>		<u>863,783</u>
Shareholders' funds - equity interests	18		<u>1,074,790</u>		<u>879,052</u>

Approved by the Board on 18 January 2002
and signed on its behalf by

FH Adkins

F H Adkins
Director

Egerton Rothesay School Limited

Cash flow statement For the year ended 31 August 2001

		Year ended 31 August 2001	8 Months ended 31 August 2000 as restated
	Notes	£	£
Net cash inflow from operating activities	19	421,671	748,795
Returns on investments and servicing of finance			
Interest received		15,529	3,512
Interest paid		(4,204)	(30,766)
Interest element of finance lease rentals		-	(386)
		<u>11,325</u>	<u>(27,640)</u>
Net cash inflow/(outflow) for returns on investments and servicing of finance		11,325	(27,640)
Taxation		(144,305)	123
Capital expenditure			
Payments to acquire tangible assets		(37,232)	(15,453)
		<u>(37,232)</u>	<u>(15,453)</u>
Net cash outflow for capital expenditure		(37,232)	(15,453)
		<u>251,459</u>	<u>705,825</u>
Net cash inflow before management of liquid resources and financing		251,459	705,825
Financing			
Government grant received		-	24,207
Repayment of long term bank loan		(69,622)	(528,351)
Repayment of other long term loans		-	(76,123)
Capital element of hire purchase contracts		(11,675)	(9,251)
		<u>(81,297)</u>	<u>(613,725)</u>
Net cash (outflow)/inflow from financing		(81,297)	(613,725)
Increase in cash in the year	20	<u>170,162</u>	<u>92,100</u>

Egerton Rothesay School Limited

Notes to the financial statements For the year ended 31 August 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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:

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	12.5% and 33% straight line
Motor vehicles	25% straight line

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

A prior year adjustment has been made (see note 26) which effects turnover. Turnover for 2000, as previously reported was £1,736,210, as a result of the prior year adjustment it has been restated by £86,585 to £1,649,625.

3 Operating profit	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	97,530	92,142
Operating lease rentals		
- Plant and machinery	65,330	23,494
Auditors' remuneration	7,239	6,463

4 Other interest receivable and similar income	2001	2000
	£	£
Bank interest	15,529	3,512

5 Interest payable	2001	2000
	£	£
On bank loans and overdrafts	4	57
On other loans wholly repayable within 5 years	-	27,889
Lease finance charges	-	386
On overdue tax	-	123
Other interest	4,200	2,820
	4,204	31,275

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

6 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Teaching	104	100
Domestic	23	19
Administration	15	12
	<u>142</u>	<u>131</u>

Employment costs

	£	£
Wages and salaries	1,715,423	878,573
Social security costs	115,352	61,715
Other pension costs	48,117	40,892
	<u>1,878,892</u>	<u>981,180</u>

7 Director's emoluments

	2001 £	2000 £
Emoluments for qualifying services	16,347	20,087
	<u>16,347</u>	<u>20,087</u>

8 Taxation

	2001 £	2000 £
U.K. current year taxation		
U.K. corporation tax at 20% (2000- 20%)	60,000	70,000
Prior years		
U.K. corporation tax	(29,717)	(966)
	<u>30,283</u>	<u>69,034</u>

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

9 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2000	1,341,132	458,146	12,380	1,811,658
Additions	-	31,357	5,875	37,232
At 31 August 2001	1,341,132	489,503	18,255	1,848,890
Depreciation				
At 1 September 2000	26,823	261,165	9,285	297,273
Charge for the year	26,823	66,143	4,564	97,530
At 31 August 2001	53,646	327,308	13,849	394,803
Net book value				
At 31 August 2001	1,287,486	162,195	4,406	1,454,087
At 31 August 2000	1,314,309	196,981	3,095	1,514,385

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 31 August 2001	-	-	-
At 31 August 2000	5,710	3,095	8,805
Depreciation charge for the year			
31 August 2001	5,710	3,095	8,805
31 August 2000	5,710	3,095	8,805

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

10 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost	
At 1 September 2000 & at 31 August 2001	<u>100</u>

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Egerton Rothesay Services Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and Profit for the reserves	year
Egerton Rothesay Services Limited	<u>15,853</u>	<u>(63)</u>

11 Stocks

	2001 £	2000 £
Raw materials and consumables	19,398	20,096
Finished goods and goods for resale	<u>288</u>	<u>288</u>
	<u>19,686</u>	<u>20,384</u>

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

12 Debtors	2001 £	2000 £
Trade debtors	59,195	63,289
Prepayments and accrued income	6,633	10,457
	<u>65,828</u>	<u>73,746</u>

Trade debtors are stated net of a provision for bad and doubtful debts of £70,924 (2000 : £85,906).

13 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	-	157
Payments received on account	633,329	584,561
Net obligations under finance lease and hire purchase contracts	-	5,710
Trade creditors	53,900	60,959
Amounts owed to subsidiary undertakings	15,538	16,984
Corporation tax	31,910	145,932
Other taxes and social security costs	37,098	26,428
Director's current accounts	55,959	6,000
Other creditors	116,235	53,127
Accruals and deferred income	17,148	9,548
	<u>961,117</u>	<u>909,406</u>

As a result of a prior year adjustment (see note 26) payments on account have been restated. The figure of £522,183 reported in the financial statements for the year to 31 August 2000 has been increased by £62,378 to £584,561.

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

14 Creditors: amounts falling due after more than one year	2001	2000
	£	£
Directors Current Account	-	64,622
Other loans	-	69,622
Net obligations under finance leases and hire purchase agreements	-	5,964
	<u>-</u>	<u>140,208</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Loan from the Late J R Adkins	70,622	70,622
De Wirtz Loan	5,000	9,000
	<u>75,622</u>	<u>79,622</u>
Included in current liabilities	(75,622)	(10,000)
	<u>-</u>	<u>69,622</u>
Instalments not due within five years	-	34,622
	<u>-</u>	<u>34,622</u>
Loan maturity analysis		
In more than one year but not more than two years	-	10,000
In more than two years but not more than five years	-	12,500
In more than five years	-	34,622
	<u>-</u>	<u>34,622</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	-	5,710
Repayable between one and five years	-	5,964
	<u>-</u>	<u>11,674</u>
Included in liabilities falling due within one year	-	(5,710)
	<u>-</u>	<u>5,964</u>

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

15 Payments on Accounts due in more than one year

	2001 £	2000 £
Balance at 1 September 2000	24,207	-
Payments on account received during the period	-	24,207
Released to payments on account to be released in less than one year	6,150	-
	<u>18,057</u>	<u>24,207</u>
Balance at 31 August 2001	<u>18,057</u>	<u>24,207</u>

As a result of the prior year adjustment (see note 26) payments on account due in more than one year have been restated. The figure of £nil reported in the financial statements for the year ended 31 August 2000 has been increased by £24,207.

16 Share capital

	2001 £	2000 £
Authorised		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>

17 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2000	5,269	863,783
Retained profit for the period	-	195,738
	<u>5,269</u>	<u>1,059,521</u>
Balance at 31 August 2001	<u>5,269</u>	<u>1,059,521</u>

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

18 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year	195,738	467,037
Opening shareholders' funds	879,052	412,015
Closing shareholders' funds	1,074,790	879,052

Opening shareholders' funds as at 31 December 2000 were previously reported as £965,637. Prior year adjustments of £86,585 (see note 26) have been made reducing them to £879,052

19 Reconciliation of operating profit to net cash inflow from operating activities	2001	2000
	£	£
Operating profit	214,696	563,834
Depreciation of tangible assets	97,530	92,142
Decrease/(increase) in stocks	698	(14,932)
Decrease/(increase) in debtors	7,918	(5,417)
Increase/(decrease) in creditors within one year	148,332	149,704
Movement on deferred income due more than 1 year	(135,394)	1,206
Net cash inflow from operating activities	333,780	786,537

20 Analysis of net debt	1 September 2000	Cash flow	31 August 2001
	£	£	£
Net cash:			
Cash at bank and in hand	344,258	170,005	514,263
Bank overdrafts	(157)	157	-
	344,101	170,162	514,263
Debt:			
Finance leases	(11,674)	11,674	-
Debts falling due within one year	(4,000)	(1,000)	(5,000)
Debts falling due after one year	(5,000)	5,000	-
	(20,674)	15,674	(5,000)
Net funds/(debt)	323,427	185,836	509,263

Egerton Rothesay School Limited

Notes to the financial statements (continued) For the year ended 31 August 2001

21 Reconciliation of net cash flow to movement in net debt	2001 £	2000 £
Increase in cash in the year	170,162	156,720
Cash outflow from decrease in debt and lease financing	15,674	198,253
Movement in net funds in the year	185,836	354,973
Opening net funds/(debt)	323,427	(31,546)
Closing net funds	509,263	323,427

22 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £95,465 (2000: £43,250). Contributions totalling £7,535 (2000: £5,833) were payable to the fund at the year end and are included in creditors.

23 Financial commitments

At 31 August 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	2000 £
Expiry date:		
Between two and five years	51,524	26,158

24 Related party transactions

The subsidiary undertaking, Egerton Rothesay Services Limited previously supplied teaching, administration and domestic staff to the school. No charge was made to the school by the service company for these services in the period ended 31 August 2001 (2000: £nil) as all staff are now employed by the school. At 30 August 2001 Egerton Rothesay School owed £15,538, (2000: £16,984) to Egerton Rothesay Services Limited. A total of £476 was paid on behalf of PACT, a company in which the late John Adkins was a director (2000: £nil). Egerton Rothesay School Limited pay the audit fee for The Rothesay Trust as a donation each year. There was a charge in the period of £476 (2000: £nil).

At the year end £70,622 was owed to the estate of the late JR Adkins (2000: £70,622), and £55,958 (2000: £55,958) to the current director FH Adkins.

Egerton Rothesay School Limited

Notes to the financial statements (continued) **For the year ended 31 August 2001**

25 Control

Ultimate control is held by Mrs F H Adkins by virtue of her holding 50% of the issued share capital and a beneficial interest in 50% of the issued share capital currently in the Estate of the late J R Adkins.

26 Prior year Adjustment

A prior year adjustment has been made for £86,585 in respect of income released to the profit and loss account in the 8 month period ended 31 August 2001 which should have been included in payments on account and carried forward to future periods. Of this £62,378 has been released in 2001 and the remainder left in deferred income to be released over the following four years.

The effect of this prior year adjustment is to reduce post tax profits for 2000 by £86,585.