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Financial statements for  
the year ended 30 December 1999

# Egerton Rothesay School Limited

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# Egerton Rothesay School Limited

## Company information

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

# **Egerton Rothesay School Limited**

## **Directors' report For the year ended 30 December 1999**

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The directors present their report and financial statements for the year ended 30 December 1999.

### **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.

### **Directors**

The following directors have held office since 31 December 1998:

J R Adkins  
F H Adkins

### **Directors' interests**

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

	<b>Ordinary shares of £ 1 each</b>	
	<b>30 December 1999</b>	<b>31 December 1998</b>
J R Adkins	5,000	5,000
F H Adkins	5,000	5,000

### **Principal activities and review of the business**

The principal activity of the company continued to be that of running an independent school. The principal activity of the subsidiary company, Egerton Rothesay Services Limited is to supply staff to Egerton Rothesay School Limited and to administer a PRP scheme.

### **Results and dividends**

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

### **Year 2000**

The 1st January 2000 has now passed and no problems have been identified. The directors will continue to monitor the situation.

### **Charitable contributions**

During the year the company made charitable donations of £44,709 (1998 : £300).

# **Egerton Rothesay School Limited**

## **Directors' report For the year ended 30 December 1999**

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### **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.

By order of the board

X FH Adkins

F H Adkins

**Director**

.....

25th May 2000.

# **Egerton Rothesay School Limited**

## **Auditors' report**

### **To the shareholders of Egerton Rothesay School Limited**

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We have audited the financial statements on pages 4 to 16 which have been prepared in accordance with the accounting policies set out on pages 7 and 8.

#### **Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

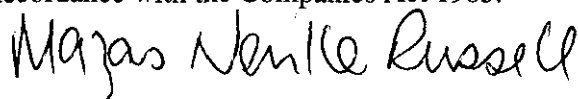
#### **Basis of opinion**

We conducted our audit in accordance with 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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL  
CHARTERED ACCOUNTANTS

and Registered Auditors

St Thomas House

6 Becket Street

Oxford

OX1 1PP

25 May 2000

# Egerton Rothesay School Limited

## Profit and loss account For the year ended 30 December 1999

	Notes	1999 £	1998 £
<b>Turnover</b>	<b>2</b>	2,551,631	2,241,392
Cost of sales		(1,797,483)	(1,704,334)
<b>Gross profit</b>		754,148	537,058
Administrative expenses		(379,815)	(269,711)
<b>Operating profit</b>	<b>3</b>	374,333	267,347
Other interest receivable and similar income	<b>4</b>	606	104
Interest payable and similar charges	<b>5</b>	(68,482)	(84,065)
<b>Profit on ordinary activities before taxation</b>		306,457	183,386
Tax on profit on ordinary activities	<b>8</b>	(75,809)	(51,609)
<b>Profit on ordinary activities after taxation</b>	<b>16</b>	230,648	131,777

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

## Balance sheet

As at 30 December 1999

	Notes	1999 £	£	1998 £	£
<b>Fixed assets</b>					
Tangible assets	9	1,591,074		1,611,699	
Investments	10	100		100	
		<u>1,591,174</u>		<u>1,611,799</u>	
<b>Current assets</b>					
Stocks	11	5,452		18,994	
Debtors	12	68,329		83,211	
Cash at bank and in hand		187,526		15,920	
		<u>261,307</u>		<u>118,125</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(883,933)</u>		<u>(727,018)</u>	
<b>Net current liabilities</b>		<u>(622,626)</u>		<u>(608,893)</u>	
<b>Total assets less current liabilities</b>		968,548		1,002,906	
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(556,533)</u>		<u>(821,539)</u>	
		<u>412,015</u>		<u>181,367</u>	
<b>Capital and reserves</b>					
Share capital	15	10,000		10,000	
Share premium account	16	5,269		5,269	
Profit and loss account	16	396,746		166,098	
<b>Shareholders' funds - equity interests</b>	17	<u>412,015</u>		<u>181,367</u>	

The financial statements were approved by the Board on .....

*F.H. Adkins*

F H Adkins

Director

*25th May 2000*

# Egerton Rothesay School Limited

## Cash flow statement

For the year ended 30 December 1999

	Notes	1999 £	1998 £
<b>Net cash inflow from operating activities</b>	<b>18</b>	<b>514,739</b>	<b>366,212</b>
<b>Returns on investments and servicing of finance</b>			
Interest received	606	104	
Interest paid	(59,648)	(78,540)	
Interest element of finance lease rentals	(496)	-	
<b>Net cash outflow for returns on investments and servicing of finance</b>		<b>(59,538)</b>	<b>(78,436)</b>
<b>Taxation</b>		<b>(47,151)</b>	<b>(2,175)</b>
<b>Capital expenditure</b>			
Payments to acquire tangible assets	(24,245)	(27,723)	
Receipts from sales of tangible assets	-	5,500	
<b>Net cash outflow for capital expenditure</b>		<b>(24,245)</b>	<b>(22,223)</b>
<b>Net cash inflow before management of liquid resources and financing</b>		<b>383,805</b>	<b>263,378</b>
<b>Financing</b>			
Repayment of long term bank loan	(110,105)	-	
Repayment of other long term loans	(13,057)	-	
Capital element of finance lease contracts	(2,605)	-	
<b>Net cash outflow from financing</b>		<b>(125,767)</b>	<b>-</b>
<b>Increase in cash in the year</b>	<b>19</b>	<b>258,038</b>	<b>263,378</b>



# **Egerton Rothesay School Limited**

## **Notes to the financial statements For the year ended 30 December 1999**

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### **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 other than freehold land 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	Nil
Fixtures, fittings & equipment	12.5% 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 directors, 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 For the year ended 30 December 1999

### 2 Turnover

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

### 3 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	62,000	40,421
Operating lease rentals		
- Plant and machinery	41,005	37,209
Auditors' remuneration	2,500	2,500

### 4 Other interest receivable and similar income

	1999	1998
	£	£
Bank interest	606	64
Other interest	-	40

### 5 Interest payable

	1999	1998
	£	£
On bank loans and overdrafts	4,198	14,418
On other loans wholly repayable within 5 years	63,155	5,525
On loans repayable after 5 years	-	64,112
Lease finance charges	496	-
On overdue tax	633	10

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

### 6 Employees

#### Number of employees

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

	1999 Number	1998 Number
Teaching	99	95
Domestic	18	17
Administration	8	8
	<u>125</u>	<u>120</u>

#### Employment costs

	£	£
Wages and salaries	1,314,856	1,299,479
Social security costs	16,825	16,830
Other pension costs	38,267	38,659
	<u>1,369,948</u>	<u>1,357,367</u>

### 7 Directors' emoluments

	1999 £	1998 £
Emoluments for qualifying services	52,991	78,322
Company pension contributions to money purchase schemes	1,604	3,193
	<u>54,595</u>	<u>81,515</u>

### 8 Taxation

	1999 £	1998 £
<b>U.K. current year taxation</b>		
U.K. corporation tax at 0% (1998 - 21%)	76,775	45,000
<b>Prior years</b>		
U.K. corporation tax	(966)	6,609
	<u>75,809</u>	<u>51,609</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

### 9 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 31 December 1998	1,341,132	401,318	12,380	1,754,830
Additions	-	41,375	-	41,375
At 30 December 1999	1,341,132	442,693	12,380	1,796,205
<b>Depreciation</b>				
At 31 December 1998	-	140,036	3,095	143,131
Charge for the year	-	58,905	3,095	62,000
At 30 December 1999	-	198,941	6,190	205,131
<b>Net book value</b>				
At 30 December 1999	1,341,132	243,752	6,190	1,591,074
At 30 December 1998	1,341,132	261,282	9,285	1,611,699

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 December 1999	11,420	6,190	17,610
At 30 December 1998	-	9,285	9,285
<b>Depreciation charge for the year</b>			
30 December 1999	5,710	3,095	8,805
30 December 1998	-	3,095	3,095

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

### 10 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 31 December 1998 & at 30 December 1999	100

In the opinion of the directors, 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	Shares held Class	%
<b>Subsidiary undertakings</b>			
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	16,704	6,727

### 11 Stocks

	1999 £	1998 £
Raw materials and consumables	3,908	16,941
Finished goods and goods for resale	1,544	2,053
	5,452	18,994

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

12 Debtors	1999 £	1998 £
Trade debtors	50,495	61,004
Corporation tax	-	3,517
Other debtors	-	159
Prepayments and accrued income	17,834	18,531
	<u>68,329</u>	<u>83,211</u>

Trade debtors are stated net of a provision for bad and doubtful debts of £163,276 (1998 : £101,558).

13 Creditors: amounts falling due within one year	1999 £	1998 £
Bank loans and overdrafts	191,145	133,320
Payments received on account	401,027	320,177
Net obligations under finance lease and hire purchase contracts	12,112	-
Trade creditors	55,800	40,614
Amounts owed to subsidiary undertakings	72,920	80,464
Amounts owed to participating interests	497	-
Corporation tax	76,775	51,634
Directors' current accounts	12,000	5,431
Other creditors	47,866	82,235
Accruals and deferred income	13,791	13,143
	<u>883,933</u>	<u>727,018</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

14 Creditors: amounts falling due after more than one year	1999 £	1998 £
Bank loans	388,473	638,835
Other loans	7,000	11,000
Net obligations under finance leases and hire purchase agreements	8,815	6,402
Directors current account	152,245	165,302
	<u>556,533</u>	<u>821,539</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>586,473</u>	<u>696,578</u>
	586,473	696,578
Included in current liabilities	<u>(191,000)</u>	<u>(46,743)</u>
	<u>395,473</u>	<u>649,835</u>
<b>Loan maturity analysis</b>		
Between one and two years	137,000	137,000
Between two and five years	<u>246,269</u>	<u>512,835</u>
The loan is secured by a fixed charge over the freehold property. The bank loan bears interest at a rate which fluctuates in line with the inter-bank rate.		
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	12,112	-
Repayable between one and five years	<u>8,815</u>	<u>6,402</u>
	20,927	6,402
Included in liabilities falling due within one year	<u>(12,112)</u>	<u>-</u>
	<u>8,815</u>	<u>6,402</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

<b>15 Share capital</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
10,000 Ordinary shares of £ 1 each	10,000	10,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £ 1 each	10,000	10,000
	<u>          </u>	<u>          </u>
 <b>16 Statement of movements on reserves</b>		
	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 31 December 1998	5,269	166,098
Retained profit for the year	-	230,648
	<u>          </u>	<u>          </u>
Balance at 30 December 1999	5,269	396,746
	<u>          </u>	<u>          </u>
 <b>17 Reconciliation of movements in shareholders' funds</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	230,648	131,777
Opening shareholders' funds	181,367	49,590
	<u>          </u>	<u>          </u>
Closing shareholders' funds	412,015	181,367
	<u>          </u>	<u>          </u>
 <b>18 Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit	374,333	267,347
Depreciation of tangible assets	62,000	40,421
Loss on disposal of tangible assets	-	1,725
Decrease in stocks	13,542	7,006
Decrease in debtors	11,365	15,733
Increase in creditors within one year	53,499	40,382
	<u>          </u>	<u>          </u>
Net cash inflow from operating activities	514,739	372,614
	<u>          </u>	<u>          </u>



# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

19 Analysis of net debt	31 December 1998	Cash flow	Other non- 30 December cash changes	1999
	£	£	£	£
Net cash:				
Cash at bank and in hand	15,920	171,606		187,526
Bank overdrafts	(86,577)	86,432		(145)
	<u>(70,657)</u>	<u>258,038</u>		<u>187,381</u>
Debt:				
Finance leases	(6,402)	2,605	(17,130)	(20,927)
Debts falling due within one year	(46,743)	(144,257)	-	(191,000)
Debts falling due after one year	(649,835)	254,362	-	(395,473)
	<u>(702,980)</u>	<u>112,710</u>	<u>(17,130)</u>	<u>(607,400)</u>
Net debt	<u>(773,637)</u>	<u>370,748</u>	<u>(17,130)</u>	<u>(420,019)</u>

20 Reconciliation of net cash flow to movement in net debt	1999 £	1998 £
Increase in cash in the year	258,038	159,898
Cash outflow from decrease in debt and lease financing	<u>112,710</u>	<u>97,957</u>
Change in net debt resulting from cash flows	370,748	257,855
New finance lease	<u>(17,130)</u>	<u>-</u>
Movement in net debt in the year	370,748	257,855
Opening net debt	<u>(773,637)</u>	<u>(1,031,492)</u>
Closing net debt	<u>(420,019)</u>	<u>(773,637)</u>

## 21 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 £38,268 (1998 - £39,726). Contributions totalling £3,215 (1998 - £3,875) were payable to the fund at the year end and are included in creditors.

# Egerton Rothesay School Limited

## Notes to the financial statements For the year ended 30 December 1999

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### 22 Financial commitments

At 30 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999 £	1998 £
Expiry date:		
Within one year	-	1,425
Between two and five years	26,020	14,444
	<u>26,020</u>	<u>15,869</u>

### 23 Related party transactions

The subsidiary undertaking, Egerton Rothesay Services Limited, supplies teaching, administration and domestic staff to the school. A charge of £989,859 was made to the school by the service company for these services in the year ended 30 December 1998 (1997 : £993,962). At 30 December 1998 Egerton Rothesay School Limited owed £72,919 to Egerton Rothesay Services Limited. £1,429 were paid for by the school on behalf of PACT, a company for which J Adkins is a director. Egerton Rothesay School Limited pay the audit fee for The Rothesay Trust as a donation each year. This amounts to approximately £800.

### 24 Control

Ultimate control is held by Mr J R Adkins and Mrs F H Adkins by virtue of them each holding 50% of the issued share capital.