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**Financial statements for  
the period ended 31 August 2000**

**Egerton Rothesay  
School Limited**

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# **Egerton Rothesay School Limited**

## **Company information**

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<b>Director</b>	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>	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 period ended 31 August 2000**

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The director presents her report and financial statements for the period ended 31 August 2000.

### **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 31 December 1999:

F H Adkins

We regret to say that J R Adkins died on 1 July 2000.

### **Director's interests**

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

	<b>Ordinary shares of £ 1 each</b>	
	<b>31 August 2000</b>	<b>31 December 1999</b>
F H Adkins	10,000	5,000

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 period are set out on page 4.

### **Future developments**

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

# **Egerton Rothesay School Limited**

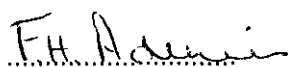
## **Director's report For the period ended 31 August 2000**

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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.

Approved by the board on .....8 January 2001  
and signed on its behalf by



F H Adkins  
**Director**

# **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 page 7.

#### **Respective responsibilities of the director and auditors**

As described on page 1 the company's director is responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, and by our profession's ethical guidance.

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. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **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 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 2000 and of its profit for the period 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  
6 Becket Street  
Oxford  
OX1 1PP

*8 January 2001*

# Egerton Rothesay School Limited

## Profit and loss account For the period ended 31 August 2000

		Period ended 31 August 2000 £	Year ended 30 December 1999 £
	Notes		
Turnover	2	1,736,210	2,551,631
Cost of sales		(1,273,953)	(1,797,483)
Gross profit		462,257	754,148
Administrative expenses		(264,168)	(379,815)
Other operating income		452,330	-
Operating profit	3	650,419	374,333
Other interest receivable and similar income	4	3,512	606
Interest payable and similar charges	5	(31,275)	(68,482)
Profit on ordinary activities before taxation		622,656	306,457
Tax on profit on ordinary activities	8	(69,034)	(75,809)
Profit on ordinary activities after taxation	16	553,622	230,648

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 31 August 2000

	Notes	2000 £	£	1999 £	£
<b>Fixed assets</b>					
Tangible assets	9	1,514,385		1,591,074	
Investments	10	100		100	
		<u>1,514,485</u>		<u>1,591,174</u>	
<b>Current assets</b>					
Stocks		20,384		5,452	
Debtors	12	73,746		68,329	
Cash at bank and in hand		344,258		187,526	
		<u>438,388</u>		<u>261,307</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(847,028)</u>		<u>(883,933)</u>	
<b>Net current liabilities</b>		<u>(408,640)</u>		<u>(622,626)</u>	
<b>Total assets less current liabilities</b>		1,105,845		968,548	
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(140,208)</u>		<u>(556,533)</u>	
		<u>965,637</u>		<u>412,015</u>	
<b>Capital and reserves</b>					
Share capital		10,000		10,000	
Share premium account	16	5,269		5,269	
Profit and loss account	16	950,368		396,746	
<b>Shareholders' funds - equity interests</b>	17	<u>965,637</u>		<u>412,015</u>	

Approved by the Board on .....8 January 2001  
and signed on its behalf by

*F.H. Adkins*

F H Adkins  
Director

# Egerton Rothesay School Limited

## Cash flow statement For the period ended 31 August 2000

		Period ended 31 August 2000 £	Year ended 30 December 1999 £
	Notes		
<b>Net cash inflow from operating activities</b>	<b>18</b>	809,234	514,739
<b>Returns on investments and servicing of finance</b>			
Interest received		3,512	606
Interest paid		(30,766)	(59,648)
Interest element of finance lease rentals		(386)	(496)
<b>Net cash outflow for returns on investments and servicing of finance</b>		(27,640)	(59,538)
<b>Taxation</b>		-	(47,151)
<b>Capital expenditure</b>			
Payments to acquire tangible assets		(15,453)	(24,245)
<b>Net cash outflow for capital expenditure</b>		(15,453)	(24,245)
<b>Net cash inflow before management of liquid resources and financing</b>		766,447	383,805
<b>Financing</b>			
Repayment of long term bank loan		(524,351)	(110,105)
Repayment of other long term loans		(76,123)	(13,057)
Capital element of hire purchase contracts		(6,402)	-
Capital element of finance lease contracts		(2,851)	(2,605)
<b>Net cash inflow/(outflow) from financing</b>		(609,726)	(125,767)
<b>Increase in cash in the period</b>	<b>19</b>	(156,720)	258,038



# **Egerton Rothesay School Limited**

## **Notes to the financial statements For the period ended 31 August 2000**

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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 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 period 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 For the period ended 31 August 2000

### 2 Turnover

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

### 3 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	92,142	62,000
Operating lease rentals		
- Plant and machinery	23,494	41,005
Auditors' remuneration	6,463	2,500
	<u>122,099</u>	<u>105,505</u>

### 4 Other interest receivable and similar income

	2000	1999
	£	£
Bank interest	3,512	606
	<u>3,512</u>	<u>606</u>

### 5 Interest payable

	2000	1999
	£	£
On bank loans and overdrafts	57	4,198
On other loans wholly repayable within 5 years	30,709	63,155
Lease finance charges	386	496
On overdue tax	123	633
	<u>31,275</u>	<u>68,482</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the period ended 31 August 2000

### 6 Employees

#### Number of employees

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

	2000 Number	1999 Number
Teaching	100	99
Domestic	19	18
Administration	12	8
	<u>131</u>	<u>125</u>

#### Employment costs

	£	£
Wages and salaries	878,573	1,314,856
Social security costs	61,715	16,825
Other pension costs	40,892	38,267
	<u>981,180</u>	<u>1,369,948</u>

### 7 Director's emoluments

	2000 £	1999 £
Emoluments for qualifying services	20,087	52,991
Company pension contributions to money purchase schemes	-	1,604
	<u>20,087</u>	<u>54,595</u>

### 8 Taxation

	2000 £	1999 £
<b>U.K. current year taxation</b>		
U.K. corporation tax at 20% (1999- 20%)	70,000	76,775
<b>Prior years</b>		
U.K. corporation tax	(966)	(966)
	<u>69,034</u>	<u>75,809</u>

# Egerton Rothersey School Limited

## Notes to the financial statements For the period ended 31 August 2000

### 9 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 31 December 1999	1,341,132	442,693	12,380	1,796,205
Additions	-	15,453	-	15,453
	<u>1,341,132</u>	<u>458,146</u>	<u>12,380</u>	<u>1,811,658</u>
At 31 August 2000				
<b>Depreciation</b>				
At 31 December 1999	-	198,941	6,190	205,131
Charge for the period	26,823	62,224	3,095	92,142
	<u>26,823</u>	<u>261,165</u>	<u>9,285</u>	<u>297,273</u>
At 31 August 2000				
<b>Net book value</b>				
At 31 August 2000	<u>1,314,309</u>	<u>196,981</u>	<u>3,095</u>	<u>1,514,385</u>
At 30 December 1999	<u>1,341,132</u>	<u>243,752</u>	<u>6,190</u>	<u>1,591,074</u>

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 31 August 2000	<u>5,710</u>	<u>3,095</u>	<u>8,805</u>
At 30 December 1999	<u>11,420</u>	<u>6,190</u>	<u>17,610</u>
<b>Depreciation charge for the period</b>			
31 August 2000	<u>5,710</u>	<u>3,095</u>	<u>8,805</u>
30 December 1999	<u>5,710</u>	<u>3,095</u>	<u>8,805</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the period ended 31 August 2000

### 10 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost	
At 31 December 1999 & at 31 August 2000	<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.

The investment in the subsidiary is as follows:

Company	Country of registration or incorporation	Class	Shares held %
<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 reserves	Profit for the year
Egerton Rothesay Services Limited	<u>15,601</u>	<u>(1,553)</u>

11 Stocks	2000 £	1999 £
Raw materials and consumables	20,096	3,908
Finished goods and goods for resale	<u>288</u>	<u>1,544</u>
	<u>20,384</u>	<u>5,452</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the period ended 31 August 2000

12 Debtors	2000 £	1999 £
Trade debtors	63,289	50,495
Prepayments and accrued income	10,457	17,834
	<u>73,746</u>	<u>68,329</u>

Trade debtors are stated net of a provision for bad and doubtful debts of £85,906 (1999 : £163,276).

13 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	4,157	191,145
Payments received on account	522,183	401,027
Net obligations under finance lease and hire purchase contracts	5,710	12,112
Trade creditors	60,959	55,800
Amounts owed to subsidiary undertakings	16,984	72,920
Corporation tax	145,932	76,775
Other taxes and social security costs	26,428	-
Director's current accounts	6,000	12,000
Other creditors	49,127	48,363
Accruals and deferred income	9,548	13,791
	<u>847,028</u>	<u>883,933</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the period ended 31 August 2000

14 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	-	388,473
Other loans	69,622	7,000
Net obligations under finance leases and hire purchase agreements	5,964	8,815
Directors current account	64,622	152,245
	<u>140,208</u>	<u>556,533</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:		
Loan from the Late J R Adkins	70,622	-
Wholly repayable within five years	<u>9000</u>	<u>586,473</u>
	79622	586,473
Included in current liabilities	<u>(10000)</u>	<u>(191,000)</u>
	<u>69,622</u>	<u>395,473</u>
Instalments not due within five years	<u>34,622</u>	<u>-</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	10,000	137,000
In more than two years but not more than five years	25,000	246,269
In more than five years	<u>34,622</u>	<u>-</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	5,710	12,112
Repayable between one and five years	<u>5,964</u>	<u>8,815</u>
	11,674	20,927
Included in liabilities falling due within one year	<u>(5,710)</u>	<u>(12,112)</u>
	<u>5,964</u>	<u>8,815</u>

# Egerton Rothesay School Limited

## Notes to the financial statements For the period ended 31 August 2000

<b>15 Share capital</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</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 1999	5,269	396,746
Retained profit for the period	<u>-</u>	<u>553,622</u>
Balance at 31 August 2000	<u>5,269</u>	<u>950,368</u>
<b>17 Reconciliation of movements in shareholders' funds</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Profit for the financial period	553,622	230,648
Opening shareholders' funds	<u>412,015</u>	<u>181,367</u>
Closing shareholders' funds	<u>965,637</u>	<u>412,015</u>
<b>18 Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Operating profit	650,419	374,333
Depreciation of tangible assets	92,142	62,000
Increase/(decrease) in stocks	(14,932)	13,542
(Increase)/decrease in debtors	(5,417)	11,365
Increase in creditors within one year	<u>87,328</u>	<u>53,499</u>
Net cash inflow from operating activities	<u>809,540</u>	<u>514,739</u>



# Egerton Rothesay School Limited

## Notes to the financial statements For the period ended 31 August 2000

19 Analysis of net debt	31 December 1999	Cash flow	31 August 2000
	£	£	£
Net cash:			
Cash at bank and in hand	187,526	156,732	344,258
Bank overdrafts	(145)	(12)	(157)
	<u>187,381</u>	<u>156,720</u>	<u>344,101</u>
Debt:			
Finance leases	(20,927)	9,253	(11,674)
Debts falling due within one year	(191,000)	187,000	(4,000)
Debts falling due after one year	(395,473)	261,229	(134,244)
	<u>(607,400)</u>	<u>457,482</u>	<u>(149,918)</u>
Net debt	<u>(420,019)</u>	<u>614,202</u>	<u>194,183</u>

20 Reconciliation of net cash flow to movement in net debt	2000 £	1999 £
Increase in cash in the period	156,720	258,038
Cash outflow from decrease in debt and lease financing	457,482	112,710
Change in net debt resulting from cash flows	614,202	370,748
New finance lease	-	(17,130)
Movement in net funds/(debt) in the period	614,202	353,618
Opening net debt	(420,019)	(773,637)
Closing net funds/(debt)	<u>194,183</u>	<u>(420,019)</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 £43,250 (1999- £38,268). Contributions totalling £5,833 (1999- £3,215) 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 period ended 31 August 2000

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### 22 Financial commitments

At 31 August 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £
Expiry date:		
Between two and five years	<u>26,158</u>	<u>26,020</u>

### 23 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 2000 ( 1999: 989,859) as all staff are now employed by the school. At 30 August 2000 Egerton Rothesay School owed £ 16,984 (1999: £72,920) to Egerton Rothesay Services Limited. No money was paid on behalf of PACT, a company that the Late John Adkins was a director (1999: £1,429). Egerton Rothesay School Limited pay the audit fee for The Rothesay Trust as a donation each year. There was no charge in the period (1999: Approx £800).

### 24 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 the issued share capital currently in the Estate of the Late J R Adkins.