

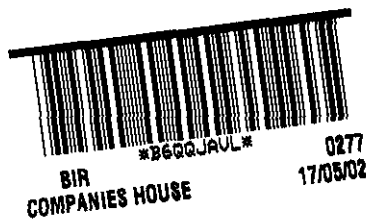
**HIGHCLARE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

**31 August 2001**

**Registered number 2963938**

**HKB** Kidsons

Chartered Accountants



# HIGHCLARE LIMITED

## DIRECTORS' REPORT

31 August 2001

The Directors present their report and the audited financial statements of the Company for the year ended 31 August 2001.

### Principal activities

The principal activity of the Company is property ownership and management.

### Review of business

The Company's level of income and loss before taxation is in line with the Directors' expectations. The Directors consider the state of affairs of the Company to be satisfactory.

### Results and dividends

The loss for the year after taxation amounted to £32,667 (2000: £31,589) as shown on page 4. The Directors recommend that no dividend be paid and the loss of £32,667 be transferred to reserves.

### Directors

The Directors of the Company at 31 August 2001 were as follows:

J.A. Barrett  
B. Pattni  
Highclare School

Highclare School owns the entire share capital of Highclare Investments Limited, which in turn owns the entire share capital of the Company.

J.A. Barrett and B. Pattni are also directors of the ultimate parent undertaking, a company limited by guarantee.

### Auditors

HLB Kidsons have agreed to offer themselves for re-appointment as auditors of the Company.

### Registered office

241 Birmingham Road  
Wylde Green  
Sutton Coldfield  
West Midlands  
B72 1EA

10 December 2001

Approved by the Board  
and signed on its behalf by



B. Pattni

Secretary

## HIGHCLARE LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 August 2001

We are required under company law 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 year.

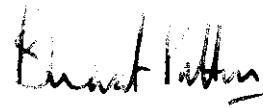
In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- state whether applicable accounting standards have been followed, and give details of any departures
- prepare the financial statements on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud.

Approved by the Board  
and signed on its behalf by



B Pattni

Secretary

10 December 2001

# HIGHCLARE LIMITED

## AUDITORS' REPORT

### Auditors' report to the shareholders of Highclare Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

#### Respective responsibilities of directors and auditors

As described on page 2 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 at 31 August 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*HLB Kidsons*

HLB Kidsons

Registered Auditors

Chartered Accountants

Birmingham

10 December 2001

**HIGHCLARE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 August 2001**

	Note	2001 £	2000 £
<b>Rental income</b>	2	136,000	136,000
Administrative expenses		(168,667)	(167,589)
		<u>          </u>	<u>          </u>
<b>Retained loss for the year</b>	11	(32,667)	(31,589)
		<u>          </u>	<u>          </u>

There are no recognised gains or losses other than the loss for the year of £32,667 (2000: loss £31,589).

# HIGHCLARE LIMITED

## BALANCE SHEET

at 31 August 2001

	Note	2001		2000	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		1,459,638		1,481,519
<b>Current assets</b>					
Debtors	7		8,544		269,720
Cash at bank			<u>80</u>		<u>81</u>
			8,624		269,801
<b>Creditors: amounts falling due within one year</b>	8		<u>(749,078)</u>		<u>(999,469)</u>
<b>Net current liabilities</b>			<u>(740,454)</u>		<u>(729,668)</u>
<b>Total net assets</b>			<u>719,184</u>		<u>751,851</u>
<b>Capital and reserves</b>					
Called up share capital	10		900,000		900,000
Profit and loss account	11		<u>(180,816)</u>		<u>(148,149)</u>
<b>Total shareholders' funds</b>			<u>719,184</u>		<u>751,851</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 10 December 2001 and are signed on its behalf by

J.A. Barrett )  
 )  
 ) Directors  
 )  
 B. Pattni )

*J.A. Barrett*  
*B. Pattni*

**HIGHCLARE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 August 2001**

**1 Principal accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company has taken advantage of the exemption from preparing a cashflow statement conferred by Financial Reporting Standard No 1 on the grounds that it is entitled to the exemptions available in Sections 246 and 247 of the Companies Act 1985 for small companies.

**Depreciation**

Depreciation is calculated to write off the cost of all tangible fixed assets over their estimated useful lives at the following principal rates:

Improvements to leasehold property	2% straight line
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**Leases**

Rentals paid under operating leases are charged to income as incurred.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**2 Rental income**

The Company's rental income and result are derived from continuing operations. No operations have been acquired during the current or previous year.

**3 Operating loss**

	2001	2000
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	950	850
Property rent	131,000	131,000
Depreciation of tangible fixed assets	32,792	31,566
	<hr/>	<hr/>

**HIGHCLARE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 August 2001**  
(continued)

**4 Directors and employees**

No Directors' emoluments or staff costs were incurred during the year.

**5 Taxation**

No corporation tax liability arises on the result for the year. Any tax losses will be carried forward to future periods.

**6 Tangible fixed assets**

**Improvements to  
leasehold property  
£**

**Cost**

1 September 2000

1,629,415

Additions

10,911

31 August 2001

1,640,326

**Depreciation**

1 September 2000

147,896

Charge for year

32,792

31 August 2001

180,688

**Net book value**

31 August 2001

1,459,638

31 August 2000

1,481,519

Contracted capital commitments at 31 August 2001 were £Nil (2000: £ Nil).

**7 Debtors**

**2001  
£**

**2000  
£**

**Due within one year**

Amounts owed by group undertakings

-

261,176

Prepayments and accrued income

8,544

8,544

8,544

269,720



# HIGHCLARE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 August 2001  
(continued)

8	<b>Creditors: amounts falling due within one year</b>	<b>2001</b> £	<b>2000</b> £
	Trade creditors	14,490	17,764
	Amounts owed to group undertakings	718,773	966,150
	Other taxation and social security	5,950	5,810
	Accruals and deferred income	<u>9,865</u>	<u>9,745</u>
		749,078	999,469
		<u>          </u>	<u>          </u>
9	<b>Reconciliation of shareholders' funds</b>		
	Opening shareholders' funds	751,851	783,440
	Loss for the financial year	<u>(32,667)</u>	<u>(31,589)</u>
	Closing shareholders' funds	<u>719,184</u>	<u>751,851</u>
		<u>          </u>	<u>          </u>
10	<b>Called up share capital (equity)</b>		
	<b>Authorised</b>		
	900,000 ordinary shares of £1 each	900,000	900,000
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	900,000 ordinary shares of £1 each	900,000	900,000
		<u>          </u>	<u>          </u>
11	<b>Profit and loss account</b>	£	
	1 September 2000	(148,149)	
	Retained loss for the year	<u>(32,667)</u>	
	31 August 2001	<u>(180,816)</u>	

**HIGHCLARE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 August 2001**  
(continued)

**12 Guarantees and other financial commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 August 2002:

	<b>2001</b> <b>Land and</b> <b>buildings</b> £	<b>2000</b> <b>Land and</b> <b>buildings</b> £
Contracts expiring after five years	131,000	131,000

The Company has guaranteed the bank borrowings of other group undertakings which totalled £1,413,939 at the year end (2000: £1,535,755).

**13 Parent undertaking**

The Company's parent undertaking is Highclare Investments Limited, incorporated in England.

**14 Ultimate parent undertaking**

The Company's ultimate parent undertaking is Highclare School, a company limited by guarantee and incorporated in England.

**15 Related party transactions**

The company has taken advantage of the exemptions contained within Financial Reporting Standard No. 8 not to disclose intra-group transactions on the basis that it is a 100% owned subsidiary and all transactions with other group companies are eliminated in the consolidated financial statements.