

REGISTRAR
OF COMPANIES

ST MARY'S SCHOOL SHAFTESBURY
TRUST 194968

Trustees' report and
financial statements

for the year ended
31 August 2001



ST MARY'S SCHOOL SHAFTESBURY TRUST

Annual report and financial statements for the year ended 31 August 2001

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Directors

Mrs J Dallyn
Sister M Cecilia Goodman IBVM
Mrs A Beale
Colonel R Carson
Mrs L Eeles
Vice Admiral M Gretton
Mr C McCann
Lady Katharine Page
Lady Patten of Wincanton
Miss J Taylor
Mr R Wilson

Secretary and registered office

Mr N M Peters, St Mary's School, Shaftesbury, Dorset SP7 9LP

Company number

1949068

Registered charity number

292845

Auditors

Mazars Neville Russell, 8 New Fields, 2 Stinsford Road, Nuffield, Poole, Dorset BH17 0NF

Bankers

Lloyds Bank Plc, 32 High Street, Shaftesbury, Dorset SP7 8JJ

Solicitors

Stone King, 13 Queen Square, Bath BA1 2HJ

Report of the trustees for the year ended 31 August 2001

FINANCIAL STATEMENTS

The governors, trustees and directors present their report and financial statements for the year ended 31 August 2001. These comply with current statutory requirements and the Memorandum and Articles of Association.

CONSTITUTION

St Mary's School Shaftesbury Trust is a company limited by guarantee, governed under the terms of its Memorandum and Articles of Association. The activities of the governors, who are also trustees and directors, are overseen by a board of guardians whose duties are outlined in the articles of association.

PRINCIPAL ACTIVITY

The principal activity of the trust and its subsidiary undertaking is to run St Mary's, a school located at Shaftesbury.

The aim of St Mary's School has been defined as being:

To educate Roman Catholic girls and those of other Christian denominations in an environment which nurtures Christian values and prepares them for any walk of life.

The governors express this aim in the three equally important aspects of the education offered in the school:

- the spiritual and pastoral
- the academic and curricular
- the extra-curricular and recreational

GOVERNORS, TRUSTEES AND DIRECTORS

The following are the names of the governors, trustees and directors who have acted during the year.

Mr J H Smith (retired 21 September 2001)
Mrs J Dallyn
Sister M Cecilia Goodman IBVM
Mrs A Beale
Colonel R Carson
Mrs L Eccles
Mr J Goulding (retired 21 September 2001)
Vice Admiral M Gretton
Mr C McCann
Lady Katharine Page
Lady Patten of Wincanton (appointed 16 March 2001)
Miss J Taylor (appointed 16 March 2001)
Mr R Wilson

Hereinafter the governors who are also trustees and directors will be referred to as the governors.

Report of the trustees for the year ended 31 August 2001 (continued)

GOVERNORS, TRUSTEES AND DIRECTORS (continued)

Colonel Carson, Mr Wilson, Mrs Eeles and Mrs Dallyn serve on the school's Finance and Development Committee. Mr Smith retired from this committee on 21 September 2001. Governors nominate new governors for ratification by the guardians at general meeting.

POLICY MATTERS

Subject to the Memorandum of Association the governors are responsible for the general direction and control of the school.

The headmistress and senior staff are responsible for the day to day operation of the school.

There have been no material policy changes during the year.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

During the period the school has continued to operate at full capacity in the successful pursuit of the aims listed above. In pursuing its charitable objectives, the school is in membership of:

The Independent Schools Information Service (ISIS)
The Girls Schools Association (GSA)
The Governing Bodies of Girls Schools Association (GBGSA)
The Boarding Schools Association (BSA) and other organisations.

The results of the school are set out in the statement of financial activities on page 5.

During 1999 the freehold properties were valued by external valuers at £2.5 million on the open market.

The charity does not depend on the services of volunteers and does not benefit from any donated facilities or services.

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:

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent; and
- (3) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

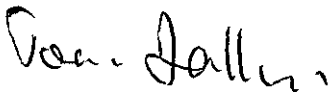
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the trustees for the year ended 31 August 2001 (continued)

AUDITORS

Mazars Neville Russell, having merged with BDO Stoy Hayward, have expressed their willingness to continue in office as auditors and offer themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Trustees on 10 May 2002



Trustee



Trustee

Report of the auditors**Independent auditors' report to the members of St Mary's School Shaftesbury Trust**

We have audited the financial statements of St Mary's School Shaftesbury Trust for the year ended 31 August 2001 on pages 5 to 18. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing 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 1985. We also report to you if, in our opinion, the Trustees' 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 specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' 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 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 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 31 August 2001 and of its surplus 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
Poole*

24 June 2002

Statement of Financial Activities for the year ended 31 August 2001

| | Notes | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total £ | 2000 Total £ |
|--|-------|----------------------------|--------------------------|-------------------------|-------------|--------------------|
| Incoming resources | | | | | | |
| School fees | 2 | 3,471,141 | - | - | 3,471,141 | 3,274,317 |
| Investment income | 3 | 18,605 | - | - | 18,605 | 33,838 |
| Appeal proceeds | | - | - | - | - | 519 |
| Other income | | 13,822 | - | - | 13,822 | 16,395 |
| Trading income | | 763 | - | - | 763 | 102,840 |
| Donations | | - | - | 500,000 | 500,000 | - |
| Total incoming resources | | 3,504,331 | - | 500,000 | 4,004,331 | 3,427,909 |
| Resources expended | | | | | | |
| <i>Direct charitable expenditure:</i> | | | | | | |
| Education | 5 | (3,217,490) | (20,330) | - | (3,237,820) | (2,852,086) |
| <i>Other expenditure:</i> | | | | | | |
| Management and administration | 5&6 | (299,741) | - | - | (299,741) | (328,315) |
| Trading expenditure | | (447) | - | - | (447) | (88,746) |
| Corporation tax | | (852) | - | - | (852) | (1,258) |
| Total resources expended | | (3,518,530) | (20,330) | - | (3,538,860) | (3,270,405) |
| Net incoming/(outgoing) resources before other gains/(losses) | | (14,199) | (20,330) | 500,000 | 465,471 | 157,504 |
| Unrealised (loss)/gain on investments | 11 | (13,893) | - | - | (13,893) | 8,080 |
| Balances brought forward | | 3,950,349 | 177,492 | | 4,127,841 | 3,962,257 |
| Balances carried forward | | 3,922,257 | 157,162 | 500,000 | 4,579,419 | 4,127,841 |

Net incoming/(outgoing) resources are wholly derived from continuing activities. There are no recognised gains or losses other than those shown above for the year.

Balance sheet at 31 August 2001

| | Notes | £ | 2001 £ | £ | 2000 £ |
|--|-------|----------------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 4,648,961 | | 4,761,559 |
| Investments | 11 | | 628,104 | | 141,997 |
| | | | <u>5,277,065</u> | | <u>4,903,556</u> |
| CURRENT ASSETS | | | | | |
| Stocks | | 10,003 | | 12,237 | |
| Debtors | 12 | 208,253 | | 113,312 | |
| Cash at bank and in hand | | 737 | | 112,589 | |
| | | <u>218,993</u> | | <u>238,138</u> | |
| CREDITORS: | | | | | |
| amounts falling due within one year | 13 | (654,650) | | (680,866) | |
| Net Current Liabilities | | | <u>(435,657)</u> | | <u>(442,728)</u> |
| Total assets less current liabilities | | | <u>4,841,408</u> | | <u>4,460,828</u> |
| CREDITORS: | | | | | |
| amounts falling due after more than one year | 14 | | (261,989) | | (332,987) |
| Net Assets | 19 | | <u>4,579,419</u> | | <u>4,127,841</u> |
| FUNDS | | | | | |
| Restricted funds | 16 | | 157,162 | | 177,492 |
| Endowment funds | 17 | | 500,000 | | - |
| Unrestricted funds | | | | | |
| Designated funds | 18 | | 227,501 | | 237,777 |
| Other charitable funds | | | 3,694,756 | | 3,712,572 |
| | | | <u>4,579,419</u> | | <u>4,127,841</u> |

The financial statements on pages 5 to 18 were approved by the trustees on 10 May 2002

Joan Hallen

Trustee

Glenn

Trustee

Cash flow statement for the year ended 31 August 2001

| | Notes | £ | 2001 £ | £ | 2000 £ |
|--|-------|-----------|------------------|-------------|------------------|
| Net cash inflow from operating activities | 20 | | 201,748 | | 648,345 |
| Returns on investments and servicing of finance | | | | | |
| Interest received | | 13,845 | | 27,200 | |
| Interest element of finance lease rental payments | | (12,775) | | (13,369) | |
| | | | 1,070 | | 13,831 |
| Taxation | | | | | |
| Corporate tax paid | | (852) | | (1,258) | |
| | | | (852) | | (1,258) |
| Investing activities | | | | | |
| Net receipts from appeal | | - | | 519 | |
| Purchase of tangible fixed assets | | (309,462) | | (1,047,692) | |
| | | | (309,462) | | (1,047,173) |
| Cash outflow before use of liquid resources and financing | | | (107,496) | | (386,255) |
| Financing | | | | | |
| Repayment of amounts borrowed | | (50,858) | | (49,366) | |
| Capital element of finance lease rental payments | | (52,758) | | (50,762) | |
| | | | (103,616) | | (100,128) |
| Decrease in cash | 21 | | (211,112) | | (486,383) |
| RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT | | | | | |
| Decrease in cash in period | | (211,112) | | (486,383) | |
| Cash to repay loan instalments | | 50,858 | | 49,366 | |
| Cash to repay finance lease rentals | | 52,758 | | 50,762 | |
| Change in net funds resulting from cashflows | | | (107,496) | | (386,255) |
| New finance leases | | | (12,336) | | (20,614) |
| Increase in loan | | | (3,132) | | (6,562) |
| Movement in net debt in the year | | | (122,964) | | (413,431) |
| Net debt at 1 September 2000 | | | (320,688) | | 92,743 |
| Net debt at 31 August 2001 | 21 | | (443,652) | | (320,688) |

The notes on pages 8 to 18 form part of these financial statements.

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

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of fixed asset investments listed on stock exchanges. They have been prepared in accordance with applicable accounting standards and comply with the requirements of the Statement of Recommended Practice, Accounting by Charities.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each item evenly over its estimated useful life. Such estimated useful lives are as follows:

| | |
|-------------------------------------|--|
| Freehold buildings and improvements | - 10-50 years |
| Furniture and equipment | - 5 years |
| Motor vehicles | - 3-4 years |
| Assets held under finance leases | - The shorter of the primary lease period or the estimated useful life |

Property repairs and refurbishments along with individual items of furniture and equipment costing less than £2,000 are written off in the statement of financial activities when the expenditure is incurred.

Investments

Listed investments are stated at market value.

Other fixed asset investments are stated at cost less provision for permanent diminution in value.

Stocks

Stocks, which comprise fuel oil and kitchen stores, are stated at the lower of cost and net realisable value.

Income and expenses

Income and expenses are accounted for on an accruals basis. All income and expenditure whether restricted or unrestricted are dealt with through the statement of financial activities.

Finance leases

Assets acquired under finance leases are included as tangible fixed assets at the original cost of the asset and are depreciated in accordance with the policy as stated above.

The net obligations under finance leases are shown under creditors and the finance charges are charged to the statement of financial activities at the rate of interest implicit in the lease.

Notes to the financial statements for the year ended 31 August 2001 (*continued*)**1. ACCOUNTING POLICIES** (*continued*)**Funds**

Restricted funds are subject to conditions imposed by the donor, or the trusts under which the donation was made. They are represented by specific net assets set aside for the purpose.

Endowment funds represent those assets which must be held permanently by the charity.

Unrestricted funds reflect the anticipated development requirements and maintenance needs of the school.

Pension costs

Pension costs represent the contributions payable during the accounting period.

Group financial statements

The financial statements contain information about St Mary's School Shaftesbury Trust as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by S.248 of the Companies Act 1985 not to produce consolidated financial statements as the group it heads qualifies as a medium group.

2. FEE INCOME

Fee income comprises the total of school fees receivable in respect of the academic year covered by these accounts, net of bursaries and scholarships.

| | 2001 £ | 2000 £ |
|----------------------------|------------------|------------------|
| Gross school fees | 3,710,319 | 3,513,248 |
| Bursaries and scholarships | (201,515) | (198,406) |
| Other discounts | (37,663) | (40,525) |
| Fee income | <u>3,471,141</u> | <u>3,274,317</u> |

3. INVESTMENT INCOME

| | | |
|-----------------|---------------|---------------|
| Bank interest | 13,845 | 27,200 |
| Other interest | 1,143 | 3,076 |
| Dividend income | 3,617 | 3,562 |
| | <u>18,605</u> | <u>33,838</u> |

Notes to the financial statements for the year ended 31 August 2001 (*continued*)**4. SUBSIDIARY UNDERTAKING**

The charity has a wholly owned trading subsidiary, Coombe House Limited, which was dormant throughout this and last year. The company is registered in England and Wales and accounts are filed with the Registrar of Companies. The directors receive no remuneration for their services.

Set out below are the capital and reserves of the subsidiary.

| | 2001 £ | 2000 £ |
|-----------------------------|----------------|----------------|
| Capital and reserves | | |
| Share capital | 100 | 100 |
| Profit and loss account | (2,380) | (2,380) |
| | <u>(2,280)</u> | <u>(2,280)</u> |

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff costs £ | Other costs £ | Depreciation £ | Total £ | 2000 Total £ |
|--------------------------------------|---------------------|---------------------|-------------------|------------------|--------------------|
| Direct charitable expenditure | | | | | |
| Education | 2,026,844 | 834,488 | 376,488 | 3,237,820 | 2,852,086 |
| Other expenditure | | | | | |
| Management and administration | 166,541 | 120,281 | 12,919 | 299,741 | 328,315 |
| | <u>2,193,385</u> | <u>954,769</u> | <u>389,407</u> | <u>3,537,561</u> | <u>3,180,401</u> |

Resources expended include amounts attributable to:

| | 2001 £ | 2000 £ |
|------------------------|----------------|----------------|
| Depreciation | | |
| - owned assets | 340,085 | 313,301 |
| - leased assets | 49,322 | 46,810 |
| Auditors' remuneration | 4,600 | 4,400 |
| | <u>393,997</u> | <u>364,511</u> |

Notes to the financial statements for the year ended 31 August 2001 (*continued*)**6. MANAGEMENT AND ADMINISTRATION COSTS**

| | 2001 £ | 2000 £ |
|---------------------------------|----------------|----------------|
| Salaries and wages | 166,541 | 156,683 |
| Depreciation | 12,919 | 10,611 |
| Professional fees | 19,895 | 19,768 |
| Office costs | 28,358 | 26,932 |
| Bank charges and other interest | 19,163 | 24,711 |
| Other costs | 52,865 | 89,610 |
| | <u>299,741</u> | <u>328,315</u> |

7. EMPLOYEES**(a) Number of employees**

The average weekly number of employees during the year was:

| | Number | Number |
|-----------------------------------|------------|------------|
| Full time | | |
| Teaching and pastoral | 37 | 37 |
| Administration | 7 | 7 |
| Maintenance and domestic | 11 | 9 |
| | <u>55</u> | <u>53</u> |
| Part time | | |
| Teaching and pastoral - part time | 34 | 34 |
| - visiting | 38 | 34 |
| Administration | 3 | 5 |
| Maintenance and domestic | 34 | 36 |
| | <u>109</u> | <u>109</u> |

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

| 7. EMPLOYEES (continued) | 2001 | 2000 |
|--------------------------|------------------|------------------|
| (b) Employment costs | £ | £ |
| Wages and salaries | 1,918,816 | 1,765,640 |
| Social security costs | 146,773 | 129,012 |
| Other pension costs | 116,639 | 102,695 |
| | <u>2,182,228</u> | <u>1,997,347</u> |

Staff paid above £40,000 per annum fell into the following bands.

| | Number | Number |
|-------------------|--------|--------|
| £40,001 – £50,000 | 1 | - |
| £50,001 – £60,000 | 1 | 1 |

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | £ | £ |
|---|---------------|---------------|
| Interest on bank loans and overdrafts | 1,840 | - |
| On finance leases terminating within five years | 12,775 | 13,369 |
| Capital enhancement on loan | 3,132 | 6,562 |
| | <u>17,747</u> | <u>19,931</u> |

9. TAXATION

The company is registered as a charity and there is no liability to taxation on its charitable activities. During the year the company suffered £852 (2000: £1,258) corporation tax on its trading activities.

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

10. TANGIBLE FIXED ASSETS

(a) Summary

| | Buildings in the course of construction £ | Freehold property and improvements £ | Furniture and equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--|---|------------------------------------|------------------------|------------------|
| Cost | | | | | |
| 1 September 2000 | - | 5,259,226 | 1,213,937 | 57,698 | 6,530,861 |
| Additions | 19,031 | 128,980 | 128,798 | - | 276,809 |
| 31 August 2001 | 19,031 | 5,388,206 | 1,342,735 | 57,698 | 6,807,670 |
| Depreciation | | | | | |
| 1 September 2000 | - | 757,515 | 965,120 | 46,667 | 1,769,302 |
| Charge for year | - | 250,127 | 129,189 | 10,091 | 389,407 |
| 31 August 2001 | - | 1,007,642 | 1,094,309 | 56,758 | 2,158,709 |
| Net book value | | | | | |
| 31 August 2001 | 19,031 | 4,380,564 | 248,426 | 940 | 4,648,961 |
| 31 August 2000 | - | 4,501,711 | 248,817 | 11,031 | 4,761,559 |

(b) Use of such assets (at net book value)

| | Buildings in the course of construction £ | Freehold property and improvements £ | Furniture and equipment £ | Motor vehicles £ | Total £ |
|----------------------------------|--|---|------------------------------------|------------------------|------------------|
| Education | 19,031 | 4,380,564 | 223,583 | 940 | 4,624,118 |
| Management and administration | - | - | 24,843 | - | 24,843 |
| | 19,031 | 4,380,564 | 248,426 | 940 | 4,648,961 |

Included above under the heading of "furniture and equipment" are assets acquired under finance lease arrangements with a net book value of £47,595 (2000: £84,581) at the balance sheet date.

Freehold property and improvements includes land of £165,000 (2000: £165,000) which is not depreciated.

Freehold land and buildings were last valued in 1999 at £2.5 million on the open market by Symonds & Sampson.

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

10. TANGIBLE FIXED ASSETS (continued)

(c) Capital commitments

At 31 August 2001 the governors had authorised capital expenditure as follows:

| | 2001 £ | 2000 £ |
|--------------------------------------|-----------|-----------|
| Against which orders had been placed | - | 18,870 |

11. FIXED ASSET INVESTMENTS

(a) Cost

| | Listed in UK £ | Bank Deposit £ | Investment in subsidiary undertaking £ | Total £ |
|------------------|----------------------|----------------------|---|------------|
| Cost | | | | |
| 1 September 2000 | 89,997 | - | 100 | 90,097 |
| Additions | - | 500,000 | - | 500,000 |
| 31 August 2001 | 89,997 | 500,000 | 100 | 590,097 |

(b) Valuation

| | | | | |
|------------------|----------|---------|-----|----------|
| 1 September 2000 | 141,897 | - | 100 | 141,997 |
| Additions | - | 500,000 | - | 500,000 |
| Unrealised loss | (13,893) | - | - | (13,893) |
| 31 August 2001 | 128,004 | 500,000 | 100 | 628,104 |

(c) Listed investment portfolio

| Investment | % of portfolio |
|---|----------------|
| M & G Securities - Charifund income | 34% |
| Henderson investors - Income & growth exempt fund | 34% |
| Kleinwort Benson - Chariguard UK equity fund | 32% |
| | 100% |

The listed investment portfolio forms part of the bursary fund.

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

| | 2001 £ | 2000 £ |
|--|----------------|----------------|
| 12. DEBTORS | | |
| School fees receivable | 106,178 | 81,242 |
| Amounts owed by subsidiary undertaking | 2,280 | 2,280 |
| Other debtors | 5,174 | 7,095 |
| Prepayments | 94,621 | 22,695 |
| | <u>208,253</u> | <u>113,312</u> |
| 13. CREDITORS: amounts falling due within one year | | |
| Loan (note 15) | 51,902 | 50,858 |
| Bank overdraft | 99,260 | - |
| School fees received in advance | 176,380 | 211,152 |
| Net obligations under finance leases | 31,538 | 49,732 |
| Trade creditors | 70,601 | 79,076 |
| Other taxes and social security costs | 70,127 | 52,067 |
| Other creditors | 133,179 | 180,019 |
| Accruals | 21,663 | 57,962 |
| | <u>654,650</u> | <u>680,866</u> |
| Obligations under finance leases are secured on the fixed assets to which they relate. | | |
| 14. CREDITORS: amounts falling due after more than one year | | |
| Loan (note 15) | 203,802 | 252,572 |
| Other creditors | 300 | 300 |
| Net obligations under finance leases | 57,887 | 80,115 |
| | <u>261,989</u> | <u>332,987</u> |

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

| 15. LOAN | 2001 £ | 2000 £ |
|---------------------------------|----------------|----------------|
| (a) Maturity | | |
| Wholly repayable within 5 years | | |
| Repayable by instalments | | |
| - due within one year | 51,902 | 50,858 |
| - due between 1 and 2 years | 45,951 | 46,514 |
| - due between 2 and 5 years | 157,851 | 149,544 |
| - due in more than 5 years | - | 56,514 |
| | <u>255,704</u> | <u>303,430</u> |

The loan is interest free provided the company repays each instalment by the due date.

Capital repayment instalments carry a premium linked to increases in The Retail Price Index above its standing at 1 September 1991.

(b) Security

The loan is secured by a mortgage over the freehold land.

16. RESTRICTED CAPITAL FUNDS

| | 2000 £ | Donations received £ | Transfers/ Depreciation £ | 2001 £ |
|-------------|----------------|----------------------------|---------------------------------|----------------|
| Sports Hall | 177,492 | - | (20,330) | 157,162 |
| | <u>177,492</u> | <u>-</u> | <u>(20,330)</u> | <u>157,162</u> |

This fund was established for the construction/renovation of the Sports Hall. Sufficient resources are held in an appropriate form to enable the fund to be applied in accordance with the restrictions imposed.

17. ENDOWMENT FUNDS

| | 2000 £ | Incoming endowments £ | Gains, income and transfers £ | 2001 £ |
|--------------------------|-----------|-----------------------------|-------------------------------------|----------------|
| Croft House Bursary Fund | - | 500,000 | - | 500,000 |
| | <u>-</u> | <u>500,000</u> | <u>-</u> | <u>500,000</u> |

The fund represents an endowment from Croft House School to provide bursaries.

18. DESIGNATED FUNDS

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | 2000 £ | Gains, income and transfers £ | 2001 £ |
|---------|----------------|-------------------------------------|----------------|
| Bursary | 237,777 | (10,276) | 227,501 |
| | <u>237,777</u> | <u>(10,276)</u> | <u>227,501</u> |

The bursary fund contains donations totalling £10,000 received specifically for this purpose and are hence restricted.

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted capital funds £ | Endowment funds £ | Unrestricted funds £ | Total £ |
|-----------------------|-------------------------------------|-------------------------|----------------------------|------------------|
| Tangible fixed assets | 157,771 | - | 4,491,190 | 4,648,961 |
| Investments | - | 500,000 | 128,104 | 628,104 |
| Current assets | - | - | 218,993 | 218,993 |
| Current liabilities | - | - | (642,953) | (642,953) |
| Long term liabilities | - | - | (273,686) | (273,686) |
| | <u>157,771</u> | <u>500,000</u> | <u>3,921,648</u> | <u>4,579,419</u> |

20. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2001 £ | 2000 £ |
|--|----------------|----------------|
| Net incoming resources | 465,471 | 157,504 |
| Investment income | (18,605) | (33,838) |
| Appeal proceeds | - | (519) |
| Donation | (500,000) | - |
| Tax paid in year | 852 | 1,258 |
| Interest payable and similar charges | 15,907 | 19,931 |
| Sundry income | 4,760 | 6,637 |
| Depreciation | 389,407 | 360,111 |
| Decrease/(increase) in stocks | 2,234 | (251) |
| (Increase)/decrease in debtors | (94,941) | 104,066 |
| (Decrease)/increase in creditors | (63,337) | 33,446 |
| Net cash inflow from operating activities | <u>201,748</u> | <u>648,345</u> |

21. ANALYSIS OF CHANGES IN NET FUNDS

| | 2000 £ | Cash flows £ | Other changes £ | 2001 £ |
|--------------------------|------------------|--------------------|-----------------------|------------------|
| Cash at bank and in hand | 112,589 | (211,112) | - | (98,523) |
| Debt due within 1 year | (50,858) | 50,858 | (51,902) | (51,902) |
| Debt due after 1 year | (252,572) | - | 48,770 | (203,802) |
| Finance leases | (129,847) | 52,758 | (12,336) | (89,425) |
| Total | <u>(320,688)</u> | <u>(107,496)</u> | <u>(15,468)</u> | <u>(443,652)</u> |

Notes to the financial statements for the year ended 31 August 2001 (*continued*)**22. LEASE COMMITMENTS**

| | 2001 £ | 2000 £ |
|--|---------------|----------------|
| The net obligation under finance leases is repayable as follows: | | |
| Due within 1 year | 31,538 | 49,732 |
| Due between 1 and 2 years | 26,328 | 20,129 |
| Due between 2 and 5 years | 31,559 | 59,986 |
| | <u>89,425</u> | <u>129,847</u> |

23. PENSION ARRANGEMENTS

The company provides defined pension benefits for its teaching staff by contributing to the teachers' superannuation scheme administered by the Department for Education and Employment. Contribution levels are reviewed every 5 years by the Government Actuary, the latest revision having taken place with effect from 1 April 1997.

The company also operates a defined contribution pension scheme for non-teaching staff. 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.

24. RELATED PARTY TRANSACTIONS

During the year the trust had the following balance with its subsidiary company, Coombe House Limited.

| | 2001 £ | 2000 £ |
|--------------------|-----------|-----------|
| Owed by subsidiary | 2,280 | 2,280 |

25. CONTROLLING PARTIES

Throughout the year the trust has been under the control of the governors, a list of whom is disclosed in the trustees' report.

No governor or closely connected person received, in their position as governor, trustee and director emoluments from the charity. Expenses totalling £1,419 were reimbursed to governors during the year to cover travelling and out of pocket expenses.

The following governors had children at the school during the year paying fees at the standard rate:

Colonel R Carson
Lady Patten of Wincanton
Mr R Wilson