

**FRANCIS HOLLAND (CHURCH OF ENGLAND)
SCHOOLS TRUST
(Company Number 257981)
(Registered Charity Number 312745)**

ANNUAL REPORT

YEAR ENDED 31 AUGUST 2004



PKF

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
ANNUAL REPORT
YEAR ENDED 31 AUGUST 2004

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FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
REGISTERED OFFICE AND ADVISORS

Registered Office: Francis Holland (Church of England) Schools Trust
35 Bourne Street
London
SW1W 8JA

Bankers: National Westminster Bank PLC
34 Sloane Square
London
SW1W 8AZ

Solicitors: Baldwin & Co
26 Bedford Row
London
WC1R 4HZ

Investment Advisors: JP Morgan Private Bank
125 London Wall
London
EC2Y 5AJ

Auditors: PKF
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
COUNCIL REPORT
FOR THE YEAR ENDED 31 AUGUST 2004

The Seventy Fourth Report of the COUNCIL for the year ended 31 August 2004 will be presented at the Seventy Fourth Annual General Meeting to be held at Clarence Gate on 16 March 2005.

CONSTITUTION

Francis Holland (Church of England) Schools Trust is a company limited by guarantee and a registered charity.

PRINCIPAL ACTIVITIES

The principal activities of the charitable company continue to be the provision of education for girls, including religious instruction in accordance with the principles of the Church of England.

MEMBERS OF THE COUNCIL

The following Members of the Council served during the period covered by this Report, ie 1 September 2003 to 31 August 2004:-

Lady France	*†	Chairman
Mr H M Neal		Vice-Chairman
The Revd. J Cave Bergquist		Representing the London Diocesan Fund
Dr C Carpenter	†	Representing the University of Cambridge
Mr M Clarfelt	*	
Mr R E Gourgey		Representing Friends of Francis Holland
Mrs A Grainger		Representing Quondam
Mrs V V R Harris	*	
Mr B J Lenon		
Mr R Lewis	*	
Mrs C Longworth		
Mr I A N McIntosh	*	
Miss S Mahaffy		Representing Old Girls – Graham Terrace
Mrs B A R Mathews	*	
Ms A Millet	†	
Mr C J Sheridan	*	
Mrs S Singer	†	
Lady Staughton		
Dr S C Watkinson	†	Representing the University of Oxford
Mrs G Young		

The following Members of the Council retired and offered themselves for re-election:-

Mrs V V R Harris, Mr R Lewis, Mrs B A R Mathews, Mr H M Neal, Lady Staughton

Other Members may offer themselves for re-election.

There have been no changes in the membership of the Council prior to the signing of the approval of the financial statements.

† members of the Education Committee

* members of the Finance Committee

**FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
COUNCIL REPORT
FOR THE YEAR ENDED 31 AUGUST 2004**

FINANCIAL RESULTS

There was an annual surplus on general funds of £1,387,081 (2003: £1,170,026). In addition the School raised specific funds for the development of Clarence Gate. £224,920 was raised in the year and is included in the restricted funds column.

At 31 August 2004 the General Fund amounted to £11,409,635. This is almost entirely invested in the School's land, buildings and equipment.

INVESTMENTS

Investments are managed by the Trust, with professional advice, with the intention of creating long term capital growth and reserves.

RESERVES POLICY

The Council has reviewed the Trust's need for reserves in accordance with the guidance issued by the Charity Commission.

RISKS

The Council have identified the major risks to which the Trust is exposed and review those risks as a matter of routine. There are systems in place to mitigate those risks.

NUMBER OF PUPILS

The average number of pupils during the year was 391 at Clarence Gate School and 477 at Graham Terrace School, as compared with 370 and 469 respectively in the previous year.

OTHER DEVELOPMENTS

Both schools continue to enjoy high demand for places and public examination results remain very good. The schools are full to capacity.

The first phase of the Clarence Gate School redevelopment project, otherwise known as the 125th Birthday Appeal Project, is complete and the school now has the benefit of new science laboratories and a refurbished assembly hall that has a greater capacity. The second and final phase of the programme is well in hand and has already completed enlarged and much improved accommodation for the music department. Shortly, the work to the gymnasium will be complete and this will then have been enlarged and brought up to date with a fully equipped fitness suite. The appeal fund has nearly reached the £1m target.

Graham Terrace School is proceeding with the Old Library Project now entitled the Bowden Wing Development and work will commence on site in February with completion due before the start of the 2005-6 academic year in September 2005. The anticipated cost is now £1.57m. An appeal for funds has been launched and has, already, been promised £600,000. It has become apparent that the main boiler house must be completely replaced and this shall be undertaken at the same time.

Clarence Gate and Graham Terrace Schools have both continued to invest in information and communication technology and further electronic whiteboards and digital projectors have been installed in classrooms.

The Council has committed a large proportion of the funding for both appeal projects. With effect from September 2005, the Council has decided to offer three means-tested entry bursaries at each school per annum. The schools have maintained links with their respective local communities and through these offer services or facilities to neighbours and thereby also enable our pupils to gain a wider educational experience. There are also numerous fundraising events throughout the year in aid of charitable organisations.

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
COUNCIL REPORT
FOR THE YEAR ENDED 31 AUGUST 2004

AUDITORS

A resolution to reappoint PKF as auditors, and to authorise the Finance Committee to agree their remuneration, will be proposed at the Annual General Meeting.

BY ORDER OF THE COUNCIL



C W Martinson
Secretary

35 Bourne Street
London SW1W 8JA

2 December 2004

**FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE COUNCIL**

Company law requires the Members of the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit on income and expenditure account for that period. In preparing those financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charitable company will continue its operations.

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

The Members of the Council are responsible for ensuring that the Council Report is prepared in accordance with company law in the United Kingdom.

The Members of the Council confirm their acceptance of these responsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST**

We have audited the financial statements of Francis Holland (Church of England) Schools Trust for the year ended 31 August 2004 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members of Council and auditors

The responsibilities of the Members of Council (who also act as trustees for the charitable activities of Francis Holland (Church of England) Schools Trust, and as directors for the purposes of company law) 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 Responsibilities of Members of Council.

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 Council Report is not consistent with the financial statements, if the charitable 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 council members' remuneration and transactions with the charitable company is not disclosed.

We read the Council 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 judgments made by the Members of Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 charitable company's affairs as at 31 August 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London, UK

16 December 2004


PKF
Registered Auditors

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2004

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	2004 £	2003 £
Incoming resources						
Fees receivable		9,079,006	-	-	9,079,006	7,919,870
Investment income and interest	13	123,950	679	-	124,629	93,956
Donations		1,651	-	274,920	276,571	451,914
Rent receivable		167,340	-	-	167,340	167,340
Total incoming resources		9,371,947	679	274,920	9,647,546	8,633,080
Resources expended						
Cost of generating funds						
Fundraising		46,478	-	-	46,478	66,784
Investment managers' fees		1,846	-	-	1,846	4,916
		48,324	-	-	48,324	71,700
Charitable expenditure						
Teachers' salaries		4,436,400	-	-	4,436,400	3,986,444
Visiting teachers' salaries		337,717	-	-	337,717	311,974
Buildings		635,837	-	-	635,837	408,443
Other educational expenditure		522,644	-	-	522,644	476,723
Scholarships and remissions		-	207,681	-	207,681	136,118
Domestic		629,754	-	-	629,754	562,552
Rent payable		202,440	-	-	202,440	202,440
Depreciation		187,868	-	-	187,868	176,615
Administration and support		557,137	-	-	557,137	453,667
Bursar's office expenses		247,991	-	-	247,991	222,291
		7,757,788	207,681	-	7,965,469	6,937,267
Total resources expended	12	7,806,112	207,681	-	8,013,793	7,008,967
Net incoming/(outgoing) resources before transfers		1,565,835	(207,002)	274,920	1,633,753	1,624,113
Transfers between funds:						
In respect of bursaries		(196,332)	196,332	-	-	-
In respect of donations for specific developments	9	-	-	-	-	-
Net incoming resources		1,369,503	(10,670)	274,920	1,633,753	1,624,113
(Losses)/gains on investments						
Realised	3	598	57	-	655	(1,504)
Unrealised	3	16,980	1,612	-	18,592	38,349
Net movement in funds		1,387,081	(9,001)	274,920	1,653,000	1,660,958
Funds brought forward at 1 September 2003		10,022,554	875,356	572,162	11,470,072	9,809,114
Funds carried forward at 31 August 2004		11,409,635	866,355	847,082	13,123,072	11,470,072

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

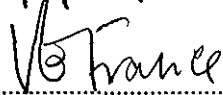
The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains on investments and was £1,634,408 (2003: £1,622,609).

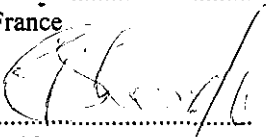
FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
BALANCE SHEET
AS AT 31 AUGUST 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
FIXED ASSETS			
Tangible fixed assets	2	10,928,522	10,007,313
Listed investments	3	455,025	422,250
		<hr/>	<hr/>
		11,383,547	10,429,563
CURRENT ASSETS			
Debtors	4	210,141	249,302
Short term deposits		2,400,000	2,000,000
Cash at bank and in hand		1,142,680	760,180
		<hr/>	<hr/>
		3,752,821	3,009,482
CURRENT LIABILITIES			
Creditors: amount falling due within one year	5	(1,637,796)	(1,592,473)
		<hr/>	<hr/>
NET CURRENT ASSETS		2,115,025	1,417,009
		<hr/>	<hr/>
TOTAL ASSETS		13,498,572	11,846,572
CREDITORS: amount falling due after more than one year	5	(375,500)	(376,500)
		<hr/>	<hr/>
		13,123,072	11,470,072
		<hr/>	<hr/>
FUNDS			
Unrestricted General Funds	7	11,409,635	10,022,554
Unrestricted Designated Funds	8	866,355	875,356
Restricted Funds	9	847,082	572,162
		<hr/>	<hr/>
	10	13,123,072	11,470,072
		<hr/>	<hr/>

Note: Funds include a cumulative unrealised gain of £17,370 (2003: a gain of £45,942) arising on revaluation of investments.

Approved by the Members of the Council
on 2/12/2004 and signed on their behalf:-


.....
Lady France


.....
C J Sheridan

Members of the Council

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
Net cash inflow from operating activities	A	1,839,038	2,242,223
Returns on investments and servicing of finance			
Investment income and interest		124,629	93,956
Capital expenditure and financial investment			
Payments to acquire fixed asset investments		(454,798)	(163,705)
Payments to acquire tangible fixed assets		(1,167,639)	(971,410)
Receipts from sale of fixed asset investments		438,122	20,961
Net cash outflow from capital expenditure and financial investment		(1,184,315)	(1,114,154)
Net cash inflow before management of liquid resources		779,352	1,222,025
Management of liquid resources			
Cash held by investment brokers		3,148	131,163
Treasury reserve deposit		(400,000)	(1,000,000)
		(396,852)	(868,837)
Increase/(decrease) in cash in the year	C	382,500	353,188

NOTES TO CASH FLOW STATEMENT

A) Reconciliation of net cash inflow from operating activities

Net incoming resources	1,633,753	1,624,113
Depreciation	187,868	176,615
Investment income and interest	(124,629)	(93,956)
Decrease/(increase) in debtors	39,161	(33,943)
Increase in creditors	102,885	569,394
Net cash inflow from operating activities	1,839,038	2,242,223

B) Reconciliation of net cash flow to movement in net funds

Increase/(decrease) in cash in the year	382,500	353,188
Increase in liquid resources in the year	396,852	868,837
Net funds at 1 September 2003	2,763,328	1,541,303
Net funds at 31 August 2004	3,542,680	2,763,328

C) Analysis of movement in net funds

	<u>31 August 2003</u>	<u>Cash flow</u>	<u>1 September 2004</u>
	£	£	£
Cash at bank and in hand	760,180	382,500	1,142,680
Liquid resources:			
Cash held by investment brokers	3,148	(3,148)	-
Treasury reserve deposit	2,000,000	400,000	2,400,000
	2,763,328	779,352	3,542,680

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the valuation of fixed asset investments at market value and in accordance with applicable United Kingdom accounting standards and the principles contained in the Statement of Recommended Practice "Accounting and Reporting by Charities", issued by the Charity Commissioners for England and Wales in 2000.

(b) Income and expenditure account format

The standard format for the income and expenditure account as required by the Companies Act 1985 Schedule 4 Part 1 has been adapted to provide more appropriate information which reflects the activities of the Trust.

(c) Depreciation of tangible fixed assets

The Members of the Council consider that the residual values of the freehold buildings will not be materially different from their book value. Accordingly no depreciation has been provided on the grounds that it would be immaterial. The Members of the Council review the schools' freehold and long leasehold buildings for impairment at the end of each financial year, in accordance with FRS 11. Assets costing more than £1,000 are capitalised.

Depreciation is provided to write off the cost of other fixed assets on a straight line basis over their anticipated useful lives, which are as follows:-

Fixtures, furniture and equipment	-	3 years
Long leasehold	-	99 years

(d) Investments and investment income

Investments are included in the financial statements at market value at the financial year end.

Realised gains and losses on sales of investments during the year and unrealised gains and losses arising on revaluation of investments to market value at the financial year end are reflected in the Statement of Financial Activities.

In September 1990 all the prize fund investments and the general charitable fund investments and cash were amalgamated with the Francis Holland (Church of England) Schools Trust investments and cash held by the investment managers so that the total assets held by and income from these investments is split as follows:-

Francis Holland (Church of England) Schools Trust	91.33%
Francis Holland General Charitable Fund	8.44%
Francis Holland Prize Fund	0.23%
	<hr/>
	100.0%
	<hr/>

Investment income is accounted for when received and is apportioned between the Funds as above.

(e) Fees receivable

School fees are accounted for on a receivable basis.

(f) Donations

Donations are accounted for when received.

(g) School expenditure

General educational expenditure is accounted for as incurred on the accruals basis.

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

1 ACCOUNTING POLICIES (Continued)

(h) Pension costs

The Trust contributes to the Teachers' Superannuation Scheme in respect of teaching staff. Such contributions are charged to the Statement of Financial Activities.

The Trust also makes contributions on behalf of administrative staff. A group personal pension plan is in operation.

(i) Operating leases

Instalments under operating lease agreements are charged to the Statement of Financial Activities in the year in which they are incurred.

(j) Restricted funds

Restricted funds are certain legacies and donations to be utilised in the development of the school properties.

(k) Liquid resources

Liquid resources comprise cash balances held by Investment Managers and cash held on Short Term Deposit.

2 TANGIBLE FIXED ASSETS

	Land and buildings	Long	Fixtures	
	<u>Freehold</u>	<u>leasehold</u>	<u>furniture</u>	<u>Total</u>
	£	£	£	£
Cost				
At 1 September 2003	4,031,575	5,967,088	1,469,642	11,468,305
Additions	893,480	120,124	95,474	1,109,078
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2004	4,925,055	6,087,212	1,565,116	12,577,383
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2003	-	347,450	1,113,542	1,460,992
Provided for the year	-	62,266	125,603	187,869
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2004	-	409,716	1,239,145	1,648,860
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2004	4,925,055	5,677,496	325,971	10,928,522
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	4,031,575	5,619,638	356,100	10,007,313
	<hr/>	<hr/>	<hr/>	<hr/>

Further capital expenditure of £221,831 is estimated to complete capital projects in progress at the year end.

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

3 LISTED INVESTMENTS	<u>2004</u> £	<u>2003</u> £
Market value at 1 September 2003	419,102	239,513
Additions at cost	454,798	163,705
Disposals proceeds	(438,122)	(20,961)
Current year realised gain/(loss)	655	(1,504)
Current year unrealised gain	18,592	38,349
	<hr/>	<hr/>
Market value at 31 August 2004	455,025	419,102
Bank balances	-	3,148
	<hr/>	<hr/>
	455,025	422,250
	<hr/>	<hr/>
Cost of investments at 31 August 2004	437,665	373,160
	<hr/>	<hr/>

All investments are listed on a recognised Stock Exchange.

4 DEBTORS	<u>2004</u> £	<u>2003</u> £
Due within one year:		
School bills	162,809	157,172
Other debtors	14,493	18,446
Prepayments and accrued income	32,839	73,684
	<hr/>	<hr/>
	210,141	249,302
	<hr/>	<hr/>

5 CREDITORS

Amounts falling due within one year:		
School fees paid in advance	785,821	720,987
Taxation and social security	127,765	117,042
Other creditors	660,710	690,444
Fee deposits retained	63,500	64,000
	<hr/>	<hr/>
	1,637,796	1,592,473
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Fee deposits retained	375,500	376,500
	<hr/>	<hr/>

6 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

	<u>Unrestricted</u>		<u>Restricted</u>	<u>Total</u>
	<u>General</u>	<u>Designated</u>	<u>£</u>	<u>£</u>
	£	£		
Tangible fixed assets	10,928,522	-	-	10,928,522
Investments	415,574	39,451	-	455,025
Net current assets	441,039	826,904	847,082	2,115,025
Creditors falling due after more than one year	(375,500)	-	-	(375,500)
	<hr/>	<hr/>	<hr/>	<hr/>
	11,409,635	866,355	847,082	13,132,072
	<hr/>	<hr/>	<hr/>	<hr/>

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

7 UNRESTRICTED GENERAL FUNDS

	At 1 September <u>2003</u> £	Incoming <u>resources</u> £	Resources <u>expended</u> £	Transfers and investment <u>gains/(losses)</u> £	At 31 August <u>2004</u> £
General Fund	10,022,554	9,371,947	(7,806,112)	(178,754)	11,409,635
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

As reflected by note 6, substantially all of the unrestricted general funds of the charitable company are currently invested in Tangible Fixed Assets.

8 UNRESTRICTED DESIGNATED FUNDS

	At 1 September <u>2003</u> £	Incoming <u>resources</u> £	Resources <u>expended</u> £	Transfers and investment <u>gains/(losses)</u> £	At 31 August <u>2004</u> £
Contingency fund	500,000	-	-	-	500,000
Bursaries and scholarships fund	375,356	679	(207,681)	198,001	366,355
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	875,356	679	(207,681)	198,001	866,355
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Contingency fund provides funds as a general contingency.

Bursaries and scholarships fund provides funds for awards for bursaries and remissions, scholarships and for prizes and awards. The fund was previously represented by three separate funds: the Bursaries fund, Prize and other special funds and the General Charitable Fund.

FRANCIS HOLLAND (CHURCH OF ENGLAND) SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

9 RESTRICTED FUNDS

Donations received towards the cost of specific building developments at the Schools are credited to restricted funds. On completion of the specific building developments, the funds are released to General Fund.

10 OVERALL FUNDS RECONCILIATION

	<u>2004</u> £	<u>2003</u> £
Funds at 1 September 2003	11,470,072	9,809,114
Net movement in funds for the year	1,653,000	1,660,958
	<hr/>	<hr/>
Funds at 31 August 2004	13,123,072	11,470,072
	<hr/>	<hr/>

As reflected by note 6, £10,928,522 of the total funds of the charitable company are invested in tangible fixed assets.

11 STAFF COSTS AND NUMBERS EMPLOYED

	<u>2004</u> £	<u>2003</u> £
Salaries	4,182,015	3,812,995
Social security	372,857	322,031
Pension contributions	498,974	379,465
	<hr/>	<hr/>
	5,053,846	4,514,491
Visiting teachers salaries	337,717	311,974
Visiting lecturers	31,295	30,242
	<hr/>	<hr/>
	5,422,858	4,856,707
	<hr/>	<hr/>
Equivalent full-time staff:	<u>Number</u>	<u>Number</u>
Teaching	95.49	93.70
Administrative and support staff	18.82	16.24
	<hr/>	<hr/>
	114.31	109.94
	<hr/>	<hr/>
The number of employees whose annual emoluments exceeded £50,000 was:		
£50,001 - £60,000	3	2
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
	<hr/>	<hr/>
	6	5
	<hr/>	<hr/>

Five higher paid staff participate in the defined benefit scheme and one in the defined contribution scheme. Employer's contributions to the defined benefit scheme were £42,584 and to the defined contribution scheme were £8,532.

The Members of the Council received no remuneration for their services during the year (2003: £nil). Travelling and other expenses reimbursed to 5 (2003 : 6) Members of the Council during the year amounted to £229 (2003: £179).

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12	TOTAL RESOURCES EXPENDED	<u>2004</u>	<u>2003</u>
		£	£
	This includes the following:		
	Depreciation (see note 2)	187,868	176,615
	Payments made under operating leases	229,089	225,018
	Auditors' remuneration - for audit services	14,000	13,500
	- for other services	4,000	4,380
		<u> </u>	<u> </u>
 13	 INVESTMENT INCOME		
	Listed investments	18,237	11,477
	Other interest	106,393	82,479
		<u> </u>	<u> </u>
		124,629	93,956
		<u> </u>	<u> </u>
 14	 OPERATING LEASE COMMITMENTS		
	The charitable company had operating lease commitments to pay during the next year in respect of land and buildings:-		
	Expiring between two and five years	74,490	74,490
	Expiring in more than five years	127,950	127,950
		<u> </u>	<u> </u>
		202,440	202,440
		<u> </u>	<u> </u>
	The charitable company had operating lease commitments to pay during the next year in respect of equipment:-		
	Expiring between two and five years	26,649	22,578
		<u> </u>	<u> </u>
 15	 LIMITED LIABILITY		
	The charitable company is limited by guarantee. Liability is limited to £1 due from each Member of the Council on the dissolution of the charitable company.		
 16	 PENSION COSTS		
	The pension cost for the Teachers' Pension Scheme is assessed in accordance with the advice of the Government Actuary, who conducts an actuarial review of the Scheme not less than every 5 years.		
	The pension cost for the Teachers' Superannuation Scheme is assessed in accordance with the advice of a qualified actuary on the basis of quinquennial valuations, the latest covering the five year period ended 31 March 2001. The Government Actuary report assumed real rates of return on 3.5% in excess of prices and 2% in excess of earnings, and a gross rate of return on investments of 7%. It is not possible to identify the School's share of the underlying assets and liabilities of this scheme. The scheme is therefore accounted for as if it were a defined contribution scheme.		
	The pension cost charged in the accounts for this Scheme was £461,390 (2003: £350,280) which were the contributions for the year.		

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16 PENSION COSTS (Continued)

The Francis Holland Schools Trust also contributes to a money purchase pension scheme which aims to produce a targeted benefit. The Scheme is called Flexi Plan 1 and the administrator and Trustee for the scheme is FPS Trustee Company Limited.

At the most recent actuarial valuation (31 March 2002), the scheme was funded to 128% of its Minimum Funding Requirement liabilities based on the target benefits. Subsequent changes in investment values may have eroded this surplus, and the Trust's contribution has been increased by 1% in the light of this factor.

The Trust also makes contributions to a Shareholder Pension Scheme which is a defined contribution scheme.

The pension cost charge for these two defined contribution schemes represents the amounts payable by the Trust for the year and amounted to £37,584 (2003: £29,185).