

Report of the Directors and
Financial Statements
for the year ended 31 August 2002
for
Heathfield School (Limited by Guarantee)



Heathfield School (Limited by Guarantee)

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Heathfield School (Limited by Guarantee)

Company Information
for the year ended 31 August 2002

DIRECTORS:	Mrs S V Tulk-Hart Miss H N Campbell Mr T Cross Brown Mr A L Deal Mrs C E Deedes Mrs J A Dollar Mr C P Kindersley Mr A H Monro Mr R T Wreford Mrs A Palmer Mrs F Olesen Rev W B Pugh
SECRETARY:	Mr R Tierney
REGISTERED OFFICE:	The Bursar's Office Heathfield School London Road Ascot Berkshire SL5 8BQ
REGISTERED NUMBER:	556463 (England and Wales)
AUDITORS:	Pridie Brewster Chartered Accountants Mount Manor House 16 The Mount Guildford Surrey GU2 4HS
SOLICITORS:	Pinsent Curtis Biddle 1 Gresham Street London EC2V 7BW
BANKERS:	Barclays Bank Plc 19 High Street Ascot Berkshire SL5 7LB

Heathfield School (Limited by Guarantee)

**Financial Statements
for the year ended 31 August 2002
Report of the Directors**

The directors (who are the Members of Council and who also act as trustees) submit herewith their Report and Accounts for the year ended 31 August 2002.

Status

The organisation is a charitable company limited by guarantee, incorporated on 26 October 1955 and registered as a charity on 17 October 1963. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles the members of the council are elected at the Annual General Meeting and each year the longest serving one-third of council members will be retired by rotation. The number of serving trustees is between three and fifteen.

The objects for which the Association is established are:

- a) To carry on, whether in the UK or abroad, a school or schools where girl students may obtain a sound education of the highest order;
- b) To act without remuneration as a trust corporation in relation to charitable, ecclesiastical or public trusts;
- c) To provide prizes, scholarships and exhibitions for students;
- d) To provide any accommodation deemed desirable for pupils and employees of the school.

These are set out in the school's governing document - the Memorandum and Articles of Association of Heathfield School dated 26 October 1955 as amended 13 November 2002.

Policy

The school's policy is to enable the girls to attain the highest academic level possible.

Organisation

The directors determine the general policy of the school. The Headmistress and the Bursar control the daily management of the school.

Activities

Heathfield School is a company limited by guarantee having no share capital and was incorporated on 26 October 1955.

The company is a Registered Charity, No. 309086, which operates as a non-profit making body and runs a girls' school at Heathfield, Ascot, Berkshire.

The registration of new girls for future years remains buoyant, and there is keen competition for places. The school continues to enjoy excellent exam results.

Review of business

The accounts for the year show an unappropriated surplus of income over expenditure of £422,212 (2001: £251,843). As a registered Charity all surpluses are applied for the benefit of the school. £200,000 of this has been designated to building related projects.

This surplus has been arrived at without taking into account the expenditure in the year of £179,674 (2001: £199,426) on capital improvements. The Directors are of the opinion that the reserves on the Income and Expenditure account of £2,386,389 (2001: £2,325,277) are sufficient to meet the school's obligations for the foreseeable future.

Currently, the school is engaged in a major scheme to improve the ICT facilities available to the pupils. On completion, networked computing facilities will be available to every pupil wherever they choose to study, be it their study, bedroom or classroom, common room or library.

The school continues to expend significant amounts on maintenance to keep the buildings in good order but more so to keep them appearing attractive to prospective parents.

Heathfield School (Limited by Guarantee)

**Financial Statements
for the year ended 31 August 2002
Report of the Directors**

Review of business (continued)

The Directors are currently producing the School Development plan for the next 10 years. This will prioritise the new buildings and other new facilities, as currently perceived to be required, not only to improve these facilities for the pupils and staff but also to enable the school to maintain its place as a pre-eminent educational establishment.

Directors and trustees

The Members of the Council are listed below, and held office throughout the year under review except where noted.

Mrs S V Tulk Hart* (Chairman of the Council)
Miss H N Campbell
Mr T Cross Brown
Mr A Deal * +
Mrs C E Deedes
Mrs J A Dollar*
Mr C P Kindersley* +
Mr A H Monro
Mr R T Wreford* (Chairman of the General Purposes Committee)
Mrs A Palmer (appointed 25.9.01)
Mrs F Olesen (appointed 14.11.01)
Rev W B Pugh (appointed 12.6.02)

*Member of the General Purposes Committee
+Parent of pupil

Rotation of directors

Mr T Cross Brown, Miss H N Campbell, Mrs J A Dollar and Mrs C E Deedes retire by rotation and, being eligible, offer themselves for re-election.

Risk management

As part of the school's Risk Management programme, the Governors have formed a sub-committee to consider all possible risks to the future of the business. As a result certain areas of risk have been identified and actions have been put in place to avert and overcome any such eventualities.

Investment Powers

The management committee has the power to invest monies of the Association not immediately required for its purposes in or upon such investments securities or property as may be thought fit.

Grant Making Policy

This year the charity awarded sponsorships and bursaries in excess of £92,000. The trustees' policy is to award scholarships on the basis of outstanding academic ability and bursaries on the basis of providing financial support for a parent who has fallen on hard times financially such as to enable their daughter(s) to remain at the school until the end of the current phase of education. This may be extended to the end of the next phase of education if the girl shows significant promise.

Heathfield School (Limited by Guarantee)

**Financial Statements
for the year ended 31 August 2002
Report of the Directors**

Directors' responsibilities for the financial statements

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 charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial statements. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the "going concern" basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities. The directors 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 accounts comply with Heathfield's Memorandum and Articles of Association.

Staff

The Directors wish to express their gratitude to the Headmistress (Mrs. Helen Wright), the Bursar (Mr. Robert Tierney) and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

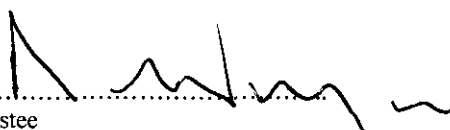
Funding

The Trustees are satisfied that the charity's assets attributable to each of its individual funds are available and adequate to fulfill its obligations in relation to those funds,

Auditors

Pridie Brewster offer themselves for reappointment as auditors within section 385 of the Companies Act 1985.

BY ORDER OF THE DIRECTORS


.....
Trustee
Date: 5 March 03
.....

Heathfield School (Limited by Guarantee)

**Financial Statements
for the year ended 31 August 2002
Report of the Auditors**

We have audited the financial statements on pages 6 to 16, which have been prepared under the historical cost convention, and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 4, the Company's directors (who are trustees for the purpose of charity law) are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Standards.

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 Report of the Directors 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 directors' remuneration and transactions with the Company is not disclosed.

We read the Report of the Directors' and consider the implications for our report if we become aware of any apparent misstatements within it.

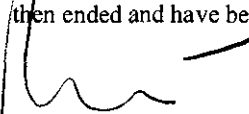
Basis of opinion

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 directors 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 2002 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Pridie Brewster
Registered Auditors
Chartered Accountants
Mount Manor House
16 The Mount
Guildford
Surrey GU2 4HS

Date : 5.3.03

Heathfield School (Limited by Guarantee)

Accounting Policies
for the year ended 31 August 2002

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with The Charities (Accounts and Reports) Regulations 2000 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000 (Sorp) and with applicable accounting standards.

The principal accounting policies of the company are set out below.

INCOME

Fees receivable

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided.

Donations

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor - imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable and transferred to unrestricted funds up to the level of expenditure incurred. Depreciation on the fixed assets purchased with such grants is then charged against unrestricted funds.

TANGIBLE FIXED ASSETS

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives:

Freehold buildings	2%
Swimming pool	3 ¹ / ₃ %
Equipment	20%
Motor vehicles	20%
Organ and Grand Piano	5%
Tip Heat	6 ² / ₃ %

The Charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. In accordance with FRS 15 no depreciation has been charged on the school buildings because the residual value exceeds the carrying value. The school has a thorough maintenance programme to keep the buildings in good repair, and an annual insurance review is carried out. This is the basis for an impairment review, and gives no reason to suggest that the insurance valuation is incorrect.

If the residual value of the buildings were to fall below the carrying value, then depreciation would be charged at 2%.

STOCK

Stock is valued at the lower of cost and net realisable value to the school.

BENEFITS IN KIND AND GIFTS

Gifts donated to the school during the year and the value of services provided by the Trustees have not been included in the financial statements.

RESOURCES EXPENDED

Resources expended are recognised in the period in which they are incurred.

GRANTS POLICY

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

Heathfield School (Limited by Guarantee)

Accounting Policies
for the year ended 31 August 2002

FUND ACCOUNTING

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds, which have been designated for specific purposes by the Trustees.

RESERVES

The General Reserve is comprised of appropriations made and appeal monies received and applied against capital projects undertaken since 1986. The reserve amounted to £2,299,864 at 31 August 2002.

Expenditure incurred on Appeal Project costs represents the promoting of the Appeal. This expenditure has been funded by an appropriation from the Unrestricted Funds of the school as shown on the statement of financial activities on page 8.

The playground fund is a specific fund for the purpose of the construction of a playground area. The restricted reserve amounted to £11,100 at 31 August 2002.

During the year a restricted fund for buildings work has been set up with the aim of setting funds aside strictly for use on the schools ten-year building project. The balance on the reserve as at 31 August 2002 was £200,000 (2001 - £nil).

The Bursary Reserve was appropriated against the need to assist pupils in cases of hardship and is applicable at the discretion of the Directors. The reserve amounted to £ nil at 31 August 2002 but this assistance in cases of hardship and scholarships are now provided for by deductions from the fees income.

All reserves have been built up over the years to be used in various projects such as the construction of the swimming pool, building of new accommodation and computer facilities for the pupils.

The Trustees have set aside reserves in order to protect the future operations of the charity from the effects of any unforeseen variations in its income stream as part of the policy of good financial management practice.

CONTRIBUTIONS TO PENSION FUNDS

Pensions

The Charity contributes to the Teachers Pension Scheme at rates set by the Teachers Pension Agency, part of the department of education and skills. The Charity also contributes to a defined contribution scheme for non-teaching staff operated by the Pensions' Trust.

Heathfield School (Limited by Guarantee)

Statement of Financial Activities
for the Year Ended 31 August 2002

		31.8.02		31.8.01	
	Notes	Restricted Funds £	Unrestricted Funds £	Total £	£
Incoming Resources					
Donations and gifts		11,100	74,661	85,761	134,826
Operating activities:					
Charity objects	1	-	4,330,254	4,330,254	4,135,800
Generating funds		-	7,350	7,350	840
Investment income		-	8,398	8,398	5,608
Other income		-	12,000	12,000	8,050
Total incoming resources		11,100	4,432,663	4,443,763	4,285,124
Less: Resources Expended					
Cost of Generating Funds		-	249	249	604
Charitable expenditure:					
Cost of activities for charitable objectives	2	-	3,765,852	3,765,852	3,684,129
Support costs		-	246,796	246,796	294,489
Management and administration		-	8,654	8,654	54,059
Total Charitable expenditure	3	-	4,021,551	4,021,551	4,033,281
Net incoming resources					
- Net income for the year		11,100	411,112	422,212	251,843
Gross Transfers between funds		200,000	(200,000)	-	-
Net movement in funds		211,100	211,112	422,212	251,843
Fund balances brought forward at 1 September 2001		-	4,475,141	4,475,141	4,223,298
Fund balances carried forward at 31 August 2002		211,100	4,686,253	4,897,353	4,475,141

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities

Heathfield School (Limited by Guarantee)

Balance Sheet
31 August 2002

	Notes	<u>31.08.02</u>		<u>31.08.01</u>	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	8		5,127,513		5,110,007
CURRENT ASSETS:					
Stocks	9	7,623		7,506	
Debtors	10	1,182,293		1,146,689	
Cash at bank and in hand		<u>391,715</u>		<u>17,850</u>	
		1,581,631		1,172,045	
CREDITORS: Amounts falling due within one year	11	<u>(1,653,697)</u>		<u>(1,686,609)</u>	
NET CURRENT LIABILITIES:			<u>(72,066)</u>		<u>(514,564)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			5,055,447		4,595,443
Creditors:					
Amounts falling due after more than one year	12		(155,210)		(117,418)
Provisions for liabilities and charges	13		<u>(2,884)</u>		<u>(2,884)</u>
Net assets			<u>4,897,353</u>		<u>4,475,141</u>
UNRESTRICTED FUNDS:	14				
Income and expenditure account		2,386,389		2,325,277	
General Reserve		2,299,864		2,132,763	
Restricted Reserve		11,100		-	
Bursary Reserve		-		17,101	
Building Reserve		<u>200,000</u>		<u>-</u>	
School Funds			<u>4,897,353</u>		<u>4,475,141</u>

ON BEHALF OF THE BOARD:

TRUSTEE

TRUSTEE

Approved by the Board on 5 March 2003

Heathfield School (Limited by Guarantee)

Cash Flow Statement
for the year ended 31 August 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	16	425,340	370,089
Returns on investment and servicing of finance	17	5,116	(4,317)
Capital expenditure and financial investment	17	(167,674)	(197,926)
Financing			
Donations received		85,761	81,826
Grants received		<u>-</u>	<u>53,000</u>
Increase in cash		<u>348,543</u>	<u>302,672</u>
Reconciliation of net cash flow to movement in net funds			
Movement in net funds in the period		348,543	302,672
Net funds 1 September 2001		<u>17,850</u>	<u>(284,822)</u>
Net funds 31 August 2002	18	<u>366,393</u>	<u>17,850</u>

Heathfield School (Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 August 2002

1. ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	2002	2001
	£	£
Fees Receivable	3,826,019	3,637,969
Less Bursaries	(92,203)	(105,502)
Summer School	219,520	216,416
Extras and Disbursements	<u>376,918</u>	<u>386,917</u>
	<u>4,330,254</u>	<u>4,135,800</u>

2. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	2002	2001
	£	£
School	3,242,553	3,164,367
Summer School	175,374	158,824
Extras and Disbursements	<u>347,925</u>	<u>360,938</u>
	<u>3,765,852</u>	<u>3,684,129</u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other Costs	Depreciation	Total	2001
	£	£	£	£	£
Cost of generating funds	-	249	-	249	604
Charitable Activities					
Teaching	2,141,164	938,060	-	3,079,224	3,074,951
Premises	328,693	211,887	146,048	686,628	609,178
Support Costs	203,887	42,909	-	246,796	294,489
Management & Admin	-	8,654	-	8,654	54,059
	<u>2,673,744</u>	<u>1,201,759</u>	<u>146,048</u>	<u>4,021,551</u>	<u>4,033,281</u>

4. OPERATING SURPLUS

	2002	2001
	£	£
The operating surplus is stated after charging:		
Depreciation	146,048	132,279
Staff costs (note 5)	2,673,744	2,572,818
Auditors' remuneration	<u>5,288</u>	<u>5,288</u>

5. DIRECTORS AND EMPLOYEES

	2002	2001
	£	£
Wages and salaries	2,357,706	2,297,210
Social security costs	195,063	181,510
Pension costs	<u>120,975</u>	<u>94,098</u>
	<u>2,673,744</u>	<u>2,572,818</u>

The average weekly number of employees during the period was as follows:

	2002	2001
Teaching	66	72
Administration, catering, and grounds	<u>76</u>	<u>74</u>
	142	146
Less peripatetics	<u>(11)</u>	<u>(12)</u>
	<u>131</u>	<u>134</u>

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2002

In accordance with charity law and the Articles of Association of the company the directors are prohibited from receiving any remuneration, but they may claim travel expenses.

	2002 £	2001 £
Employees earning £40,000 per annum or more received remuneration in the following band:		
£50,000 - £59,999	2	2
£100,000 - £109,999	<u>-</u>	<u>-</u>

During the year the following directors were reimbursed travel expenses:-

Mrs Deedes	147	136
Mrs Tulk-Hart	<u>537</u>	<u>44</u>
	<u>684</u>	<u>180</u>

At the year end £16 was still outstanding (2001 - £44)

6. INTEREST PAYABLE

	2002 £	2001 £
On bank loans and overdraft	<u>1,386</u>	<u>9,925</u>

7. TAXATION

The charitable company is exempt from corporation tax on its activities.

8. TANGIBLE FIXED ASSETS

	Swimming Pool £	Freehold Properties £	Tip Heat £	Motor vehicles, equipment and organ £	Total £
Cost					
At 1 September 2001	1,221,429	3,551,395	178,748	488,826	5,440,398
Additions	10,562	34,378	9,098	125,636	179,674
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,637)</u>	<u>(99,637)</u>
At 31 August 2002	<u>1,231,991</u>	<u>3,585,773</u>	<u>187,846</u>	<u>514,825</u>	<u>5,520,435</u>
Depreciation					
At 1 September 2001	52,480	-	7,492	270,419	330,391
Charge for year	41,066	-	12,523	92,459	146,048
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,517)</u>	<u>(83,517)</u>
At 31 August 2002	<u>93,546</u>	<u>-</u>	<u>20,015</u>	<u>279,361</u>	<u>392,922</u>
Net book value					
At 31 August 2002	<u>1,138,445</u>	<u>3,585,773</u>	<u>167,831</u>	<u>235,464</u>	<u>5,127,513</u>
At 31 August 2001	<u>1,168,949</u>	<u>3,551,395</u>	<u>171,256</u>	<u>218,407</u>	<u>5,110,007</u>

The insured value of the Main School, Sports Hall, Swimming Pool and other buildings is £18,748,340.

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2002

8. TANGIBLE FIXED ASSETS (CONTINUED)

All tangible fixed assets are used for direct charitable purposes. The "tip heat" project makes use of waste heat generated on the adjacent landfill site into useful heat for the school buildings and hot water.

The school does not own or have the use of any inalienable assets.

No impairment of the freehold property was evident as confirmed by the insurance valuation.

9. STOCKS

	2002	2001
	£	£
Household and consumable materials	<u>7,623</u>	<u>7,506</u>

10. DEBTORS

	2002	2001
	£	£
Fees receivable	1,105,412	1,068,311
Other debtors	28,198	44,250
Income tax recoverable on donations	8,886	22,640
Prepayments	<u>39,797</u>	<u>11,488</u>
	<u>1,182,293</u>	<u>1,146,689</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank overdraft	25,322	-
Fees in advance	1,390,685	1,331,095
Trade creditors	17,240	6,168
Social security and other taxes	69,271	58,497
Accruals	68,685	207,568
Sundry creditors	<u>82,494</u>	<u>83,281</u>
	<u>1,653,697</u>	<u>1,686,609</u>

Under the provisions of Section 38 of the Charities Act 1993, the company has authority to seek overdraft facilities of £350,000. The overdraft facility arranged is secured by a fixed charge over the school buildings.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Pupils' deposits	<u>155,210</u>	<u>117,418</u>

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2002

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions and similar obligations £
At 1 September 2001	2,884
Released during year	-
At 31 August 2002	<u>2,884</u>

The provision relates to potential employers pension contributions due, if an employee takes up entry into the company pension scheme.

14. RESERVES

	RESTRICTED		UNRESTRICTED		Designated Bursary Reserve	Total
	Building fund	Playground fund	Income and expenditure account	General reserve	£	£
	£	£	£	£	£	£
At 1 September 2001	-	-	2,325,277	2,132,763	17,101	4,475,141
Net incoming resources before Transfers	-	11,100	-	-	-	11,100
Transfer between funds	200,000	-	(200,000)	-	-	-
Transfer between reserves	-	-	(150,000)	167,101	(17,101)	-
Surplus on Ordinary Activities	-	-	411,112	-	-	411,112
At 31 August 2002	<u>200,000</u>	<u>11,100</u>	<u>2,386,389</u>	<u>2,299,864</u>	<u>-</u>	<u>4,897,353</u>

15. CAPITAL COMMITMENTS

No capital expenditure has been contracted for at 31 August 2002.

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2002

16. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002	2001
	£	£
Operating surplus	422,212	251,843
Less donations received (includes Swimming Pool Covenants)	(85,761)	(134,826)
Less interest received	(8,398)	(5,608)
Add interest paid	1,386	9,925
Depreciation	146,048	132,279
Loss/(Profit) on sale	4,125	(1,500)
(Increase)/Decrease in stocks	(119)	4,551
Increase in debtors	(34,410)	(3,237)
(Decrease)/Increase in creditors	<u>(19,743)</u>	<u>116,662</u>
Net cash inflow from operating activities	<u>425,340</u>	<u>370,089</u>

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2002	2001
	£	£
Return on investments and servicing of finance		
Interest received	7,203	5,608
Interest paid	<u>(2,087)</u>	<u>(9,925)</u>
	<u>5,116</u>	<u>(4,317)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(179,674)	(199,426)
Proceeds on sale of assets	<u>12,000</u>	<u>1,500</u>
	<u>(167,674)</u>	<u>(197,926)</u>

18. ANALYSIS OF NET FUNDS

	At 1 September 2001	Cash flow	At 31 August 2002
	£	£	£
Cash at bank	17,850	373,865	391,715
Bank overdraft	<u>-</u>	<u>(25,322)</u>	<u>(25,322)</u>
	<u>17,850</u>	<u>348,543</u>	<u>366,393</u>

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2002

19. INDEMNITY INSURANCE

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as remitted under section 310 of the Companies Act 1985 with the approval of the Charity Commission. A total amount of £ 2,157 (2001: £1,540) was paid.

20. COMPANY LIMITED BY GUARANTEE

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

Heathfield School (Limited by Guarantee)

Detailed Income and Expenditure Account
for the year ended 31 August 2002

	Note	2002 £	2002 £	2001 £	2001 £
INCOMING RESOURCES					
Donations			85,761		134,826
Operating Activities:					
Fees		3,826,019		3,637,969	
Bursaries granted		(92,203)		(105,502)	
Summer School	A	219,520		216,416	
Extras and Disbursements		<u>376,918</u>		<u>386,917</u>	
			4,330,254		4,135,800
Rent			7,350		840
Other Income					
Registration and common entrance fees		12,000		6,550	
Profit on sale of asset		<u>-</u>		<u>1,500</u>	
			12,000		8,050
UK investment income			<u>8,398</u>		<u>5,608</u>
			<u>4,443,763</u>		<u>4,285,124</u>
RESOURCES EXPENDED					
Cost of generating funds			249		604
Cost of activities in furtherance of charity objects					
Summer School	A	175,374		158,824	
Direct Costs	B	2,831,528		2,689,845	
Indirect Costs	C	233,473		267,351	
Overhead Costs	D	124,521		155,923	
Administrative Costs	E	53,031		51,248	
Extras and Disbursements	F	<u>347,925</u>		<u>360,938</u>	
			3,765,852		3,684,129
Support costs	G		246,796		294,489
Managing and administering the charity	H		<u>8,654</u>		<u>54,059</u>
			<u>4,021,551</u>		<u>4,033,281</u>
Net surplus			<u>422,212</u>		<u>251,843</u>

Heathfield School (Limited by Guarantee)

Detailed Income and Expenditure Account
for the year ended 31 August 2002

	2002 £	2002 £	2001 £	2001 £
A. Summer School				
Summer School receipts	219,520		216,416	
Summer School costs	(175,374)		(158,824)	
Surplus on activities		<u>44,146</u>		<u>57,592</u>
B. Direct costs				
School Fees for HM	-		10,724	
Teachers' Pay	1,556,588		1,496,103	
SSP and maternity pay	17,355		2,899	
Teachers' Costs	131,296		121,713	
Matrons' Pay	205,866		192,073	
Matrons' Costs	18,683		15,273	
Household Pay	222,620		213,025	
Household Costs	55,080		50,615	
Catering Costs	342,566		328,237	
Stationery	16,698		14,996	
Library	37,380		33,488	
Subscriptions and Incidentals	12,113		17,427	
Linen	5,383		4,830	
Outings	13,704		17,425	
Chapel	36,360		32,460	
Foreign Exchange Trips	2,792		1,236	
School vehicles	6,871		5,042	
Depreciation	146,048		132,279	
Loss on disposal of motor vehicle	<u>4,125</u>		<u>-</u>	
		<u>2,831,528</u>		<u>2,689,845</u>

Heathfield School (Limited by Guarantee)

Detailed Income and Expenditure Account
for the year ended 31 August 2002

C. Indirect costs

	2002	2001
	£	£
Gardener's Pay	30,087	30,332
Gardener's Costs	16,730	16,799
Maintenance Pay	75,986	70,705
Maintenance Costs	82,126	70,847
China, glass etc	1,065	1,905
Swimming Pool	2,866	2,561
Staff Recruitment	<u>24,613</u>	<u>74,202</u>
Total	<u>233,473</u>	<u>267,351</u>

D. Overhead costs

Rates and Water	25,007	29,466
Telephone	11,565	12,425
Postage	7,951	7,579
Insurance	18,545	18,919
Electricity	21,274	34,296
Oil	707	788
Gas	10,963	18,967
Rent	20,160	23,348
Internet costs	<u>8,349</u>	<u>10,135</u>
Total	<u>124,521</u>	<u>155,923</u>

E. Administrative costs

Office Costs	6,151	6,381
Advertising and Printing	8,666	7,533
School Magazine	17,110	17,167
Travel and Entertaining	23,592	20,167
Bad Debt provision	<u>(2,488)</u>	<u>-</u>
	<u>53,031</u>	<u>51,248</u>

F. Extras and Disbursements

<u>347,925</u>	<u>360,938</u>
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G. Support Costs

Administration Salaries	203,887	233,580
Photocopying	37,280	47,097
Bank charges	4,243	3,887
Bank interest	<u>1,386</u>	<u>9,925</u>
	<u>246,796</u>	<u>294,489</u>

H. Managing the Charity

Professional fees	<u>8,654</u>	<u>54,059</u>
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