

556463

Report of the Directors and  
Financial Statements  
for the year ended 31 August 2003  
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 2003**

<b>DIRECTORS:</b>	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 A H Monro Mr R T J Wreford Mrs A H Palmer Mrs F A Olesen Rev W B Pugh Mr R B Gregory
<b>SECRETARY:</b>	Mr R Tierney
<b>REGISTERED OFFICE:</b>	The Bursar's Office Heathfield School London Road Ascot Berkshire SL5 8BQ
<b>REGISTERED NUMBER:</b>	556463 (England and Wales)
<b>CHARITY REGISTERED NUMBER:</b>	309086
<b>AUDITORS:</b>	Pridie Brewster Chartered Accountants Mount Manor House 16 The Mount Guildford Surrey GU2 4HS
<b>SOLICITORS:</b>	Veale Wasbrough Orchard Court Orchard Lane Bristol BS1 5WS
<b>BANKERS:</b>	Barclays Bank Plc 19 High Street Ascot Berkshire SL5 7LB

## **Heathfield School (Limited by Guarantee)**

### **Financial Statements for the year ended 31 August 2003 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 2003.

#### **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 is strong and there continues to be competition for places. The school continues to enjoy excellent examination results being rated top in the league table for all the secondary schools in the local area. This assessment was gained as a result of the summer 2003 examination in which 98.1% 'A' level passes were gained at A to C grades and 98.9% GCSE passes were gained at A\* to C grades.

#### **Review of business**

The accounts for the year show an unappropriated surplus of income over expenditure of £327,669 (2002: £422,212). As a registered Charity all surpluses are applied for the benefit of the school.

This surplus has been arrived at without taking into account the expenditure in the year of £216,134 (2002: £179,674) on capital improvements. The Directors are of the opinion that the reserves on the Income and Expenditure account of £2,503,668 (2002: £2,386,389) are sufficient to meet the school's obligations for the foreseeable future.

Over the past year the school has succeeded in completing the majority of the planned expansion of the ICT networks. It is now possible for most of the pupils to access the computer network from their classrooms, common rooms and library as well as their studies and bedrooms.

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 2003  
Report of the Directors**

**Review of business (continued)**

The school involves itself with the local community in a number of ways. Six outside organisations use the swimming pool to teach swimming and for training aimed at being selected for the National Teams and 2 organisations use the Sports Hall for training in Dance and Ballet. In addition, the school aligns itself with the Portesbury School for the Disabled and makes its facilities available to the local parish for their annual Parish Party. Furthermore, once a year the school hosts a fund raising activity specifically aimed at raising funds for national and overseas charities.

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 (resigned 5.3.03)  
Mr A H Monro  
Mr R T Wreford\* (Chairman of the General Purposes Committee)  
Mrs A Palmer  
Mrs F Olesen  
Rev W B Pugh  
Mr R B Gregory (appointed 21.3.03)

\*Member of the General Purposes Committee  
+Parent of pupil

**Rotation of directors**

Mr R Wreford, Mrs S V Tulk Hart, Mr A H Munro and Mr A Deal 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 charity 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 £70,000 (2002:£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 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 2003  
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, the Bursar 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: 3 March 2004

**Heathfield School (Limited by Guarantee)**

**Financial Statements  
for the year ended 31 August 2003  
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.

This report is made solely to the company's 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**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.

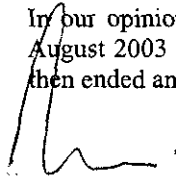
**Basis of opinion**

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 2003 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: *31st March 2004*

## Heathfield School (Limited by Guarantee)

### Accounting Policies for the year ended 31 August 2003

#### **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 $\frac{1}{3}$ %
Equipment	20%
Motor vehicles	20%
Organ and Grand Piano	5%
Tip Heat	6 $\frac{2}{3}$ %

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 2003**

**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 2003.

The playground fund is a specific fund for the purpose of the construction of a playground area. The restricted reserve amounted to £21,490 at 31 August 2003.

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 2003 was £400,000.

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 2003**

		31.8.03		31.8.02	
	Notes	Restricted Funds £	Unrestricted Funds £	Total £	£
<b>Incoming Resources</b>					
Donations and gifts		10,390	38,299	48,689	85,761
Operating activities:					
Charity objects	1	-	4,539,467	4,539,467	4,330,254
Generating funds		-	16,935	16,935	7,350
Investment income		-	20,875	20,875	8,398
Other income		-	9,990	9,990	12,000
Total incoming resources		<u>10,390</u>	<u>4,625,566</u>	<u>4,635,956</u>	<u>4,443,763</u>
<b>Less: Resources Expended</b>					
Cost of Generating Funds		-	-	-	249
<b>Charitable expenditure:</b>					
Cost of activities for charitable objectives	2	-	4,033,482	4,033,482	3,765,852
Support costs		-	256,198	256,198	246,796
Management and administration		-	18,607	18,607	8,654
Total Charitable expenditure	3	-	<u>4,308,287</u>	<u>4,308,287</u>	<u>4,021,551</u>
<b>Net incoming resources</b>					
- Net income for the year		10,390	317,279	327,669	422,212
Gross Transfers between funds		<u>200,000</u>	<u>(200,000)</u>	-	-
Net movement in funds		210,390	117,279	327,669	422,212
Fund balances brought forward at 1 September 2002		<u>211,100</u>	<u>4,686,253</u>	<u>4,897,353</u>	<u>4,475,141</u>
Fund balances carried forward at 31 August 2003		<u>421,490</u>	<u>4,803,532</u>	<u>5,225,022</u>	<u>4,897,353</u>

All amounts derive from continuing activities.

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

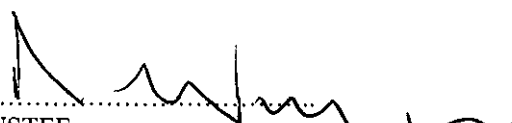
**Heathfield School (Limited by Guarantee)**

**Balance Sheet**  
**31 August 2003**

	Notes	<u>31.08.03</u>		<u>31.08.02</u>	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	8		5,174,930		5,127,513
<b>CURRENT ASSETS:</b>					
Stocks	9	15,324		7,623	
Debtors	10	1,408,421		1,182,293	
Cash at bank and in hand		<u>565,971</u>		<u>391,715</u>	
			1,989,716		1,581,631
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(1,788,125)</u>		<u>(1,653,697)</u>	
<b>NET CURRENT ASSETS:</b>			<u>201,591</u>		<u>(72,066)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			5,376,521		5,055,447
<b>Creditors:</b>					
Amounts falling due after more than one year	12		(148,615)		(155,210)
<b>Provisions for liabilities and charges</b>	13		<u>(2,884)</u>		<u>(2,884)</u>
<b>Net assets</b>			<u>5,225,022</u>		<u>4,897,353</u>
<b>FUNDS:</b>	14				
<b>Unrestricted funds</b>					
Income and expenditure account		2,503,668		2,386,389	
General Reserve		2,299,864		2,299,864	
<b>Restricted funds</b>					
Restricted Reserve		21,490		11,100	
Building Reserve		<u>400,000</u>		<u>200,000</u>	
<b>School Funds</b>			<u>5,225,022</u>		<u>4,897,353</u>

**ON BEHALF OF THE BOARD:**

  
.....  
TRUSTEE

  
.....  
TRUSTEE

Approved by the Board on

31 March 2004

**Heathfield School (Limited by Guarantee)**

**Cash Flow Statement**  
**for the year ended 31 August 2003**

	Note	2003 £	2002 £
Net cash inflow from operating activities	16	316,024	425,340
Returns on investment and servicing of finance	17	21,756	5,116
Capital expenditure and financial investment	17	(213,543)	(167,674)
<b>Financing</b>			
Donations received		48,689	85,761
Grants received		<u>          </u>	<u>          </u>
<b>Increase in cash</b>		<u>172,926</u>	<u>348,543</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Movement in net funds in the period		172,926	348,543
Net funds 1 September 2002		<u>366,393</u>	<u>17,850</u>
Net funds 31 August 2003	18	<u>539,319</u>	<u>366,393</u>

**Heathfield School (Limited by Guarantee)**  
**Notes to the Financial Statements**  
**for the year ended 31 August 2003**

**1. ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Fees Receivable	4,080,636	3,826,019
Less Bursaries	(70,445)	(92,203)
Summer School	218,986	219,520
Extras and Disbursements	<u>310,290</u>	<u>376,918</u>
	<u><b>4,539,467</b></u>	<u><b>4,330,254</b></u>

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
School	3,562,090	3,242,553
Summer School	180,889	175,374
Extras and Disbursements	<u>290,503</u>	<u>347,925</u>
	<u><b>4,033,482</b></u>	<u><b>3,765,852</b></u>

**3. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>Staff Costs</b>	<b>Other Costs</b>	<b>Depreciation</b>	<b>Total</b>	<b>2002</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost of generating funds	-	-	-	-	249
Charitable Activities					
Teaching	2,273,366	1,005,608	-	3,278,974	3,079,224
Premises	365,458	220,355	168,717	754,530	686,628
Support Costs	221,747	34,429	-	256,176	246,796
Management & Admin	<u>-</u>	<u>18,607</u>	<u>-</u>	<u>18,607</u>	<u>8,654</u>
	<u><b>2,860,571</b></u>	<u><b>1,278,999</b></u>	<u><b>168,717</b></u>	<u><b>4,308,287</b></u>	<u><b>4,021,551</b></u>

**4. OPERATING SURPLUS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
The operating surplus is stated after charging:		
Depreciation	168,717	146,048
Staff costs (note 5)	2,860,571	2,673,744
Auditors' remuneration	<u>6,169</u>	<u>5,288</u>

**5. DIRECTORS AND EMPLOYEES**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,505,531	2,357,706
Social security costs	203,944	195,063
Pension costs	<u>151,096</u>	<u>120,975</u>
	<u><b>2,860,571</b></u>	<u><b>2,673,744</b></u>

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

	<b>2003</b>	<b>2002</b>
Teaching	61	66
Administration, catering, and grounds	<u>79</u>	<u>76</u>
	140	142
Less peripatetics	<u>(5)</u>	<u>(11)</u>
	<u><b>135</b></u>	<u><b>131</b></u>

**Heathfield School (Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the year ended 31 August 2003**

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.

	2003 £	2002 £
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	232	147
Mrs Tulk-Hart	387	537
Mr Wreford	107	-
Rev Pugh	<u>32</u>	<u>-</u>
	<u>758</u>	<u>684</u>

At the year end nothing was outstanding (2002 - £ 6)

**6. INTEREST PAYABLE**

	2003 £	2002 £
On bank loans and overdraft	<u>-</u>	<u>1,386</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 £
<b>Cost</b>					
At 1 September 2002	1,231,991	3,585,773	187,846	514,825	5,520,435
Additions	460	18,803	-	196,871	216,134
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,092)</u>	<u>(85,092)</u>
At 31 August 2003	<u>1,232,451</u>	<u>3,604,576</u>	<u>187,846</u>	<u>626,604</u>	<u>5,651,477</u>
<b>Depreciation</b>					
At 1 September 2002	93,546	-	20,015	279,361	392,922
Charge for year	41,379	-	12,523	114,815	168,717
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,092)</u>	<u>(85,092)</u>
At 31 August 2003	<u>134,925</u>	<u>-</u>	<u>32,538</u>	<u>309,084</u>	<u>476,547</u>
<b>Net book value</b>					
At 31 August 2003	<u>1,097,526</u>	<u>3,604,576</u>	<u>155,308</u>	<u>317,520</u>	<u>5,174,930</u>
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>

The insured value of the Main School, Sports Hall, Swimming Pool and other buildings is £21,645,000.

**Heathfield School (Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the year ended 31 August 2003**

**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**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Household and consumable materials	<u>15,324</u>	<u>7,623</u>

**10. DEBTORS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Fees receivable	1,321,716	1,105,412
Other debtors	34,279	28,198
Income tax recoverable on donations	3,609	8,886
Prepayments	<u>48,817</u>	<u>39,797</u>
	<u>1,408,421</u>	<u>1,182,293</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank overdraft	26,653	25,322
Fees in advance	1,540,895	1,390,685
Trade creditors	12,839	17,240
Social security and other taxes	66,698	69,271
Accruals	67,884	68,685
Sundry creditors	<u>73,156</u>	<u>82,494</u>
	<u>1,788,125</u>	<u>1,653,697</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**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Pupils' deposits	<u>148,615</u>	<u>155,210</u>

**Heathfield School (Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the year ended 31 August 2003**

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Pensions and similar obligations £</b>
At 1 September 2002	2,884
Released during year	<u>-</u>
At 31 August 2003	<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**

	<b>Restricted Building fund £</b>	<b>Playground fund £</b>	<b>Unrestricted Income and expenditure account £</b>	<b>General reserve £</b>	<b>Total £</b>
At 1 September 2002	200,000	11,100	2,386,389	2,299,864	4,897,353
Net incoming resources before Transfers	-	-	-	-	-
Transfer between funds	200,000	-	(200,000)	-	-
Transfer between reserves	-	-	-	-	-
Surplus on Ordinary Activities	<u>-</u>	<u>10,390</u>	<u>317,279</u>	<u>-</u>	<u>327,669</u>
At 31 August 2003	<u>400,000</u>	<u>21,490</u>	<u>2,503,668</u>	<u>2,299,864</u>	<u>5,225,022</u>

**15. CAPITAL COMMITMENTS**

No capital expenditure has been contracted for at 31 August 2003.



**Heathfield School (Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the year ended 31 August 2003**

**16. NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating surplus	327,669	422,212
Less donations received (includes Swimming Pool Covenants)	(48,689)	(85,761)
Less interest received	(20,875)	(8,398)
Add interest paid	22	1,386
Depreciation	168,717	146,048
(Profit)/Loss on sale of fixed assets	(2,590)	4,125
(Increase) in stocks	(7,701)	(119)
(Increase) in debtors	(227,144)	(34,410)
Increase/(Decrease) in creditors	<u>126,615</u>	<u>(19,743)</u>
Net cash inflow from operating activities	<u>316,024</u>	<u>425,340</u>

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Return on investments and servicing of finance		
Interest received	21,891	7,203
Interest paid	<u>(135)</u>	<u>(2,087)</u>
	<u>21,756</u>	<u>5,116</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(216,133)	(179,674)
Proceeds on sale of assets	<u>2,590</u>	<u>12,000</u>
	<u>(213,543)</u>	<u>(167,674)</u>

**18. ANALYSIS OF NET FUNDS**

	<b>At 1 September 2002</b>	<b>Cash flow</b>	<b>At 31 August 2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	391,715	174,257	565,972
Bank overdraft	<u>(25,322)</u>	<u>(1,331)</u>	<u>(26,653)</u>
	<u>366,393</u>	<u>172,926</u>	<u>539,319</u>

**Heathfield School (Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the year ended 31 August 2003**

**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. £3,556 was paid for public liability insurance (2002: £2,157). Included in this was professional indemnity insurance relating to the directors.

**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 2003**

	Note	2003 £	2003 £	2002 £	2002 £
<b>INCOMING RESOURCES</b>					
Donations			48,689		85,761
<b>Operating Activities:</b>					
Fees		4,080,636		3,826,019	
Bursaries granted		(70,445)		(92,203)	
Summer School	A	218,986		219,520	
Extras and Disbursements		<u>310,290</u>		<u>376,918</u>	
			4,539,467		4,330,254
Rent			16,935		7,350
<b>Other Income</b>					
Registration and common entrance fees		7,400		12,000	
Profit on sale of asset		<u>2,590</u>		<u>-</u>	
			9,990		12,000
UK investment income			<u>20,875</u>		<u>8,398</u>
			<u>4,635,956</u>		<u>4,443,763</u>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds			-		249
<b>Cost of activities in furtherance of charity objects</b>					
Summer School	A	180,889		175,374	
Direct Costs	B	3,010,569		2,831,528	
Indirect Costs	C	306,122		233,473	
Overhead Costs	D	146,825		124,521	
Administrative Costs	E	98,596		53,031	
Extras and Disbursements	F	<u>290,503</u>		<u>347,925</u>	
			4,033,504		3,765,852
Support costs	G		256,176		246,796
Managing and administering the charity	H		<u>18,607</u>		<u>8,654</u>
			<u>4,308,287</u>		<u>4,021,551</u>
Net surplus			<u>327,669</u>		<u>422,212</u>

**Heathfield School (Limited by Guarantee)**

**Detailed Income and Expenditure Account**  
**for the year ended 31 August 2003**

	2003 £	2003 £	2002 £	2002 £
<b>A. Summer School</b>				
Summer School receipts	218,986		219,520	
Summer School costs	(180,889)		(175,374)	
Surplus on activities		<u>38,097</u>		<u>44,146</u>
<b>B. Direct costs</b>				
Teachers' Pay	1,655,885		1,556,588	
SSP and maternity pay	10,918		17,355	
Teachers' Costs	143,538		131,296	
Matrons' Pay	229,341		205,866	
Matrons' Costs	20,338		18,683	
Household Pay	240,305		222,620	
Household Costs	53,462		55,080	
Catering Costs	346,360		342,566	
Stationery	14,367		16,698	
Library	41,391		37,380	
Subscriptions and Incidentals	14,415		12,113	
Linen	5,779		5,383	
Outings	17,942		13,704	
Chapel	38,549		36,360	
Foreign Exchange Trips	770		2,792	
School vehicles	8,492		6,871	
Depreciation	168,717		146,048	
Loss on disposal of motor vehicle	<u>-</u>		<u>4,125</u>	
		<u>3,010,569</u>		<u>2,831,528</u>

**Heathfield School (Limited by Guarantee)**

**Detailed Income and Expenditure Account**  
**for the year ended 31 August 2003**

**C. Indirect costs**

	2003 £	2002 £
Gardener's Pay	36,259	30,087
Gardener's Costs	14,920	16,730
Maintenance Pay	88,894	75,986
Maintenance Costs	87,537	82,126
China, glass etc	778	1,065
Swimming Pool	2,593	2,866
Staff and Headmistress		
Recruitment	<u>75,141</u>	<u>24,613</u>
<b>Total</b>	<u>306,122</u>	<u>233,473</u>

**D. Overhead costs**

Rates and Water	25,269	25,007
Telephone	11,264	11,565
Postage	8,541	7,951
Insurance	34,755	18,545
Electricity	26,330	21,274
Oil	788	707
Gas	12,027	10,963
Rent	6,993	20,160
Computer support costs	<u>20,858</u>	<u>8,349</u>
<b>Total</b>	<u>146,825</u>	<u>124,521</u>

**E. Administrative costs**

Health & Safety	946	-
Office Costs	6,582	6,151
Advertising and Printing	34,522	8,666
School Magazine	14,959	17,110
Travel and Entertaining	22,307	23,332
ISI Inspection	15,266	260
Bad Debt provision	<u>4,014</u>	<u>(2,488)</u>
	<u>98,596</u>	<u>53,031</u>

<b>F. Extras and Disbursements</b>	<u>290,503</u>	<u>347,925</u>
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**G. Support Costs**

Administration Salaries	221,747	203,887
Photocopying	29,881	37,280
Bank charges	4,548	4,243
Bank interest	<u>-</u>	<u>1,386</u>
	<u>256,176</u>	<u>246,796</u>

**H. Managing the Charity**

Legal fees	12,438	3,366
Audit fees	<u>6,167</u>	<u>5,288</u>
	<u>18,607</u>	<u>8,654</u>