

Report of the Directors and
Financial Statements
for the year ended 31 August 2001
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 2001

DIRECTORS:	Mrs S V Tulk-Hart Mr A B V Hughes Mr J F Meighan Miss N H Campbell Mrs J A Dollar Professor S J Eykyn Dr A E C Letley Mr I A D Pilkington Mrs C E Deedes Mr R T Wreford Mr C P Kindersley Mr T Cross-Brown Mr A H Monro Mr A L Deal Mrs A Palmer (appointed 25.9.01) Mrs F Oleson (appointed 14.11.01)
SECRETARY:	Mr R Tierney
REGISTERED OFFICE:	The Bursar's Office Heathfield School London Road Ascot Berks SL5 8BQ
REGISTERED NUMBER:	556463 (England and Wales)
AUDITORS:	Pridie Brewster Chartered Accountants Mount Manor House 16 The Mount Guildford Surrey GU2 4HS
SOLICITORS:	Biddle & Co 1 Gresham Street London EC2V 7BW
BANKERS:	Barclays Bank Plc 19 High Street Ascot Berks SL5 7LB

Heathfield School (Limited by Guarantee)

**Financial Statements
for the year ended 31 August 2001
Report of the Trustees'**

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 2001.

Objects

The objects are set out in the Memorandum and Articles of Association as the education of girls between the ages of 11 and 18 years. In accordance with the Memorandum and Articles of Association the school also provides board and extra curricular activities for the girls.

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 £117,017 (2000: £453,623). 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 £199,426 (2000: £1,564,345) on capital improvements. The Directors are of the opinion that the reserves on the Income and Expenditure account of £2,325,277 (2000: £2,133,434) are sufficient to meet the school's obligations for the foreseeable future.

The Centenary Appeal was closed to new pledges during the year. However, as a result of the existing pledges, there were further receipts during the year. The total finally pledged was £1,014,528. At the end of the year, £770,104 of this total had been received.

The Tip Heat scheme became effective in May and has lived up to its promise by making substantial reductions in the costs of gas and electricity whilst also demonstrating the school's commitment to a cleaner environment.

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 chose 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 2001
Report of the Trustees'

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)
Mr A B V Hughes
Mr J F Meighan
Miss N H Campbell
Mrs J A Dollar*
Professor S J Eykyn
Dr A E C Letley
Mr I A D Pilkington
Mrs C E Deedes
Mr R T Wreford* (Chairman of the General Purposes Committee)
Mr C P Kindersley*
Mr T Cross-Brown
Mr A H Monro
Mr A Deal * (appointed 7 March 2001)

*Member of the General Purposes Committee

Rotation of directors

Mr R Wreford, Mrs Tulk-Hart, Mr C Kindersley and Mr A H Monro retire by rotation and, being eligible, offer themselves for re-election.

Risk management

As part of the school's Risk Management programme, the management and Governors have identified areas of potential risk and have put in place actions to avert and overcome any such eventualities.

Heathfield School (Limited by Guarantee)

**Financial Statements
for the year ended 31 August 2001
Report of the Trustees'**

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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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 keeping proper accounting records, for safeguarding the assets of the company and 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 fulfil 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



R Tierney
Secretary and Bursar

Date: 20 March 2002

Heathfield School (Limited by Guarantee)

Financial Statements
for the year ended 31 August 2001

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 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.

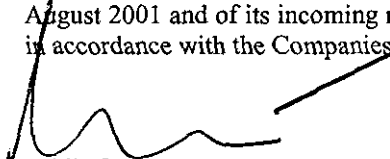
Basis of opinion

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 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 2001 and of its incoming resources and expended resources 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 : 20 March 2002

Heathfield School (Limited by Guarantee)

Accounting Policies
for the year ended 31 August 2001

The financial statements have been prepared under the historical cost convention and in accordance with applicable Statements of Recommended Practice and accounting standards. The provisions set out in the revised Statement of Recommended Practice (2000), have been adopted and the comparatives have been disclosed accordingly.

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.

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 %

STOCK

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

Heathfield School (Limited by Guarantee)

Accounting Policies
for the year ended 31 August 2001

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 £2,132,763 at 31 August 2001.

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 7.

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 £17,101 at 31 August 2001.

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

Defined Contributions Scheme

The pension costs charged in the year represent the amount of the contributions payable to the scheme in respect of the accounting period.

Heathfield School (Limited by Guarantee)

Statement of Financial Activities
for the year ended 31 August 2001

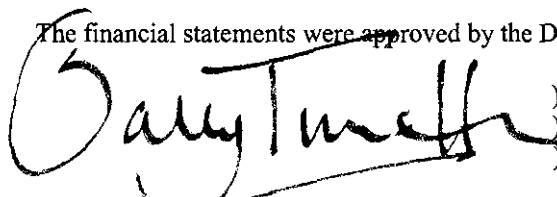
	Notes	Unrestricted £	Restricted £	2001 Total £	2000 Total £
Incoming resources					
Donations		-	134,826	134,826	178,068
Operating activities:					
charity's objects	1	4,135,800	-	4,135,800	3,996,699
generating funds		840	-	840	-
Investment income		5,608	-	5,608	16,094
Other income		<u>8,050</u>	<u>-</u>	<u>8,050</u>	<u>103,993</u>
		<u>4,150,298</u>	<u>134,826</u>	<u>4,285,124</u>	<u>4,294,854</u>
Resources Expended					
Cost of Generating Funds		604	-	604	13,912
Charitable expenditure:					
grants payable		-	-	-	-
cost of activities on charity's objects	2	3,684,129	-	3,684,129	3,395,539
support costs		294,489	-	294,489	242,911
managing and administering the charity		<u>54,059</u>	<u>-</u>	<u>54,059</u>	<u>16,637</u>
		<u>4,033,281</u>	<u>-</u>	<u>4,033,281</u>	<u>3,668,999</u>
Net Incoming Resources		117,017	134,826	251,843	625,855
Gross Transfer between funds		<u>134,826</u>	<u>(134,826)</u>	<u>-</u>	<u>-</u>
Net movement in funds		251,843	-	251,843	625,855
Total funds brought forward		<u>4,223,298</u>	<u>-</u>	<u>4,223,298</u>	<u>3,597,443</u>
Total funds carried forward	12	<u>4,475,141</u>	<u>-</u>	<u>4,475,141</u>	<u>4,223,298</u>


Heathfield School (Limited by Guarantee)

Balance sheet at 31 August 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	6		5,110,007		5,020,490
Current assets					
Stocks	7	7,506		12,057	
Debtors	8	1,146,689		1,143,452	
Cash at bank and in hand		<u>17,850</u>		<u>2,605</u>	
		1,172,045		1,158,114	
Creditors:					
Amounts falling due within one year	9	<u>(1,686,609)</u>		<u>(1,802,288)</u>	
Net current (liabilities)			<u>(514,564)</u>		<u>(644,174)</u>
Total assets less current liabilities			4,595,443		4,376,316
Creditors:					
Amounts falling due after more than one year	10		(117,418)		(150,134)
Provisions for liabilities and charges	11		<u>(2,884)</u>		<u>(2,884)</u>
Net assets			<u>4,475,141</u>		<u>4,223,298</u>
Unrestricted reserves					
Income and expenditure account	12	2,325,277		2,133,434	
General Reserve	12	2,132,763		2,072,763	
Bursary Reserve	12	<u>17,101</u>		<u>17,101</u>	
School funds	12		<u>4,475,141</u>		<u>4,223,298</u>

The financial statements were approved by the Directors on 20 March 2002:

 Directors and Members of the Council



The accompanying accounting policies and notes form an integral part of these financial statements.

Heathfield School (Limited by Guarantee)

Cash Flow Statement
for the year ended 31 August 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	14	370,089	537,565
Returns on investment and servicing of finance	15	(4,317)	10,638
Capital expenditure and financial investment	15	(197,926)	(1,466,517)
Financing			
Donations received		81,826	129,156
Grants received		<u>53,000</u>	<u>35,000</u>
Increase(decrease) in cash		<u>302,672</u>	<u>(754,158)</u>
Reconciliation of net cash flow to movement in net funds			
Movement in net funds in the period		302,672	(754,158)
Net funds 1 September 2000		<u>(284,822)</u>	<u>469,336</u>
Net funds/(debt) 31 August 2001	16	<u>17,850</u>	<u>(284,822)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Heathfield School (Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 August 2001

1. ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	2001 £	2000 £
Fees Receivable	3,637,969	3,520,785
Less Bursaries	(105,502)	(105,305)
Summer School	216,416	211,802
Extras and Disbursements	<u>386,917</u>	<u>369,417</u>
	<u>4,135,800</u>	<u>3,996,699</u>

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

	2001 £	2000 £
School	3,164,367	2,913,412
Summer School	158,824	137,476
Extras and disbursements	<u>360,938</u>	<u>344,651</u>
	<u>3,684,129</u>	<u>3,395,539</u>

3. OPERATING SURPLUS

	2001 £	2000 £
The operating surplus is stated after charging:		
Depreciation	132,279	96,074
Staff costs (note 4)	2,572,818	2,417,679
Auditors' remuneration	<u>5,288</u>	<u>6,000</u>

4. DIRECTORS AND EMPLOYEES

	2001 £	2000 £
Wages and salaries	2,297,210	2,140,616
Social security costs	181,510	179,280
Pension costs	<u>94,098</u>	<u>97,783</u>
	<u>2,572,818</u>	<u>2,417,679</u>

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

	2001	2000
Teaching	72	68
Administration, catering, and grounds	<u>74</u>	<u>75</u>
	146	143
Less peripatetics	<u>(12)</u>	<u>(17)</u>
	<u>134</u>	<u>126</u>

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2001

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.

	2001 £	2000 £
Employees earning £40,000 per annum or more received remuneration in the following band:		
£50,000 - £59,999	2	1
£100,000 - £109,999	<u>-</u>	<u>1</u>

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

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

At the year end £44 was still outstanding.

5. INTEREST PAYABLE

	2001 £	2000 £
On bank loans and overdraft	<u>9,925</u>	<u>5,456</u>

6. TANGIBLE FIXED ASSETS

	Swimming Pool £	Freehold Properties £	Tip Heat £	Motor vehicles, equipment and organ £	Total £
Cost					
At 1 September 2000	1,167,558	3,525,149	87,926	437,969	5,218,602
Additions	<u>53,871</u>	<u>26,246</u>	<u>90,822</u>	<u>50,857</u>	<u>221,796</u>
At 31 August 2001	<u>1,221,429</u>	<u>3,551,395</u>	<u>178,748</u>	<u>488,826</u>	<u>5,440,398</u>
Depreciation					
At 1 September 2000	13,000	-	-	185,112	198,112
Charge for year	<u>39,480</u>	<u>-</u>	<u>7,492</u>	<u>85,307</u>	<u>132,279</u>
At 31 August 2001	<u>52,480</u>	<u>-</u>	<u>7,492</u>	<u>270,419</u>	<u>330,391</u>
Net book value					
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>
At 31 August 2000	<u>1,154,558</u>	<u>3,525,149</u>	<u>87,926</u>	<u>252,857</u>	<u>5,020,490</u>

The insured value of the Main School, Sports Hall, Swimming Pool and other buildings is £17,239,853.

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.

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2001

7. STOCKS

	2001	2000
	£	£
Household and consumable materials	<u>7,506</u>	<u>12,057</u>

8. DEBTORS

	2001	2000
	£	£
Fees receivable	1,068,311	1,097,759
Other debtors	44,250	5,979
Income tax recoverable on donations	22,640	18,404
Prepayments	<u>11,488</u>	<u>21,310</u>
	<u>1,146,689</u>	<u>1,143,452</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Bank overdraft	-	287,427
Fees in advance	1,331,095	1,235,823
Trade creditors	6,168	46,121
Social security and other taxes	58,497	60,545
Accruals	207,568	96,525
Sundry creditors	<u>83,281</u>	<u>75,847</u>
	<u>1,686,609</u>	<u>1,802,288</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.

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

	2001	2000
	£	£
Pupils' deposits	<u>117,418</u>	<u>150,134</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions and similar obligations £
At 1 September 2000	2,884
Released during year	<u>-</u>
At 31 August 2001	<u>2,884</u>

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2001

12. RESERVES

	UNRESTRICTED		Designated Bursary Reserve	Centenary fund	RESTRICTED		Total
	Income and expenditure account £	General reserve £			Tip Heat fund £	Tennis fund £	
At 1 September 2000	2,133,434	2,072,763	17,101	-	-	-	4,223,298
Net incoming resources before Transfers	-	-	-	81,826	28,000	25,000	134,826
Transfer between funds	134,826	-	-	(81,826)	(28,000)	(25,000)	-
Transfer between reserves	(60,000)	60,000	-	-	-	-	-
Surplus on Ordinary Activities	<u>117,017</u>	-	-	-	-	-	<u>117,017</u>
At 31 August 2001	<u>2,325,277</u>	<u>2,132,763</u>	<u>17,101</u>	-	-	-	<u>4,475,141</u>

The purpose of the Bursary reserve is to provide financial aid to pupils in need.

The Centenary Fund exists to receive donations primarily towards the cost of building the new indoor swimming pool. The swimming pool was opened during the year and so total receipts to date have been credited to the Income and Expenditure account.

The Tip Heat Fund exists for specific grants from the Energy Saving Trust for this project.

The Tennis fund exists for specific donations towards the building of new tennis courts.

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2001

13. CAPITAL COMMITMENTS

There were the following capital commitments in place at 31 August 2001.

Authorised and contracted for	2001 £	2000 £
Tip Heat	<u> -</u>	<u>67,074</u>
	<u> -</u>	<u>67,074</u>

14. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating surplus	121,334	451,061
Depreciation	132,279	96,074
(Profit) on sale	(1,500)	(97,828)
Decrease/(increase) in stocks	4,551	7,621
Increase in debtors	(3,237)	(39,848)
Increase in creditors	<u>116,662</u>	<u>120,485</u>
Net cash inflow from operating activities	<u>370,089</u>	<u>537,565</u>

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

	2001 £	2000 £
Return on investments and servicing of finance		
Interest received	5,608	16,094
Interest paid	<u>(9,925)</u>	<u>(5,456)</u>
	<u>(4,317)</u>	<u>10,638</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(199,426)	(1,564,345)
Profit on sale of assets	<u>1,500</u>	<u>97,828</u>
	<u>(197,926)</u>	<u>1,466,517</u>

Heathfield School (Limited by Guarantee)

Notes to the Financial Statements
for the year ended 31 August 2001

16. ANALYSIS OF NET FUNDS

	At 1 September 2000 £	Cash flow £	At 31 August 2001 £
Cash at bank	2,605	15,245	17,850
Bank overdraft	<u>(287,427)</u>	<u>287,427</u>	<u>-</u>
	<u>(284,822)</u>	<u>302,672</u>	<u>17,850</u>

17. 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 £1,540 (2000: £1,120) was paid.

18. 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.