

TWYFORD SCHOOL
(a Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2007

Company Registration Number: 558147
(England and Wales)

Charity Registration Number. 307425

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TWYFORD SCHOOL
(a Company limited by guarantee)

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COMPANY INFORMATION

MEMBERS OF THE COMPANY

S P Kelly (Chairman) (appointed 8 December 2006)	C E Monaghan (resigned as Chairman 8 December 2006)
Dr S J Bailey	M Le May
P W Brazier	G Marsh
C R J Eglington	S Sowden
J Hawkes	R N Stober
A Higham	A J Thould
J B Howman	F E White
	M K C Wills

SECRETARY

R G Bosshardt (appointed 6 November 2006)
R Porteous (resigned 6 November 2006)

AUDITORS

Tenon Audit Limited
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

ACCOUNTANTS

Tenon Limited
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

SOLICITORS

Dutton Gregory
23 St Peter's Street
Winchester
Hampshire
SO23 8BT

REGISTERED OFFICE

Twyford School
High Street
Twyford
Winchester
Hampshire
SO21 1NW

COMPANY REGISTERED NUMBER

558147

CHARITY REGISTERED NUMBER

307425

BANKERS

Barclays Bank Plc
50 Jewry Street
Winchester
Hampshire SO23 8RG

CCLA Investment Management Limited
80 Cheapside
London
EC2 6DZ

CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

TWYFORD SCHOOL

(a Company limited by guarantee)

GOVERNORS' REPORT

INTRODUCTION

The Governors of Twyford School present their Report and Accounts for the year ended 31 July 2007. These have been prepared in accordance with the Statement of Recommended Accounting Practice (2005), applicable law and the charitable company's governing document.

GOVERNORS' RESPONSIBILITIES

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the surplus or deficit for that financial year. In so doing the Governors are required to:

- Select suitable accounting policies and 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 Governors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985.

They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors, individually, are aware:

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the School's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

CHARITABLE STATUS

The company is a registered charity, registered number 307425.

TWYFORD SCHOOL

(a Company limited by guarantee)

GOVERNORS' REPORT

CONSTITUTION AND OBJECTS

The charity is a company limited by guarantee, company number 558147. The objects are set out in the Memorandum of Association dated 2 December 1955 as amended by Special Resolution on 21 November 2003 and 8 December 2006 and are to advance education by the provision in the United Kingdom of a day and/or boarding school or schools for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Twyford School is a preparatory day and boarding school for boys and girls and currently educates boys and girls from three to thirteen years old with both boarding and day pupils.

GOVERNING BODY

The members of the Governing Body during the year, who are directors of the company for the purposes of the Companies Act 1985, and trustees of the charity for the purposes of the Charities Act 1993, are as stated below. The Governors give of their time to the School gratuitously. Governors may reclaim expenses under the terms of the Memorandum of Association. S P Kelly was appointed Chairman from 8 December 2006, and Mrs J Hawkes was appointed a Governor from 8 December 2006. C E Monaghan resigned as Chairman and Governor on 8 December 2006. C E Monaghan had made an outstanding contribution to Twyford School as a Governor for 22 years and as Chairman for 7 years.

Dr S J Bailey
P W Brazier
C R J Eglington
J Hawkes
(appointed 8 December 2006)
S P Kelly
(Chairman from 8 December 2006)
M Le May
G Marsh

C E Monaghan
(Chairman until 8 December 2006)
(Resigned as Chairman and Governor
8 December 2006)
S Sowden
A J Thould
F E White
M K C Wills

The Articles of Association were amended by Resolution at an Extraordinary General meeting of the Company on 8 December 2006 to allow a maximum of 12 Governors.

Currently there are 11 Governors from a variety of professional backgrounds and skills including education, finance, property and law. The Board of Governors considers that it has the necessary combination of skills to be able to establish the general policies of the School, to monitor the effective performance of the Headmaster and Bursar and for the prudent management of the Charity.

The Articles of Association of the Company contain rotation provisions which enable the Board to seek new governors who may have relevant skills and experience and can devote time, wholly unpaid, to the affairs of the Charity and School. The Board aims to achieve an appropriate balance of skills, age and gender so that all aspects of the School are represented on the Governing Body. New governors are supported by appropriate induction material.

R G Bosshardt succeeded R Porteous as Bursar, Company Secretary and Clerk to the Governors on 6 November 2006.

TWYFORD SCHOOL

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GOVERNORS' REPORT

ORGANISATION

The Governing Body delegated responsibility for day to day management, within the policies and budgets set, to the Headmaster and Bursar. However, Governors are also available to assist the School's Senior Management Team with appropriate involvement in issues such as child protection, health and safety, and building contract tendering, and to meet the Staff periodically. The Board is also supported by professional legal advisers and independent auditors.

The School is subject to inspection by OFSTED (Boarding Standards) and the Independent Schools Inspectorate (ISI), the School has been notified that the next inspections are spring term and autumn term 2008 respectively.

EDUCATION POLICY

The School is well known in the local community and maintains an equal opportunity policy to ensure that it is accessible to staff and children irrespective of ethnic background, religion or belief, with choice from other good schools in the neighbourhood to provide competition and a constant stimulus to quality and efficiency.

The School is planning to move Year 3 from the Pre-Prep Department into the Prep School in order to offer a wider range of educational opportunities at the earliest possible age.

Wider access from children from less well off families will be assisted by the planned establishment of bursaries during 2009.

The School's commitment to boarding has been demonstrated by the successful delivery of the first phase of a boarding facilities upgrade project.

REVIEW OF ACTIVITIES

Twyford School enjoyed a most successful year. An unprecedented 18 pupils gained awards to their senior schools. These included nine music awards, five academic scholarships, one design scholarship and three sports awards. All 37 Year 8 pupils gained entry to the senior school of choice. In addition the School continues to punch above its weight in the national Prep School competitions with excellent results in the SATiPs General Knowledge Quiz and Townsend Warner History Prize. On the sports front, the Under 13 girls were placed fourth in the IAPS netball and 3rd in the IAPS hockey - an extraordinary performance from a year group of just 11 girls. The boys' cricket won the Hampshire U13 cup and the same group also toured South Africa. Individually, three cricketers, three hockey players, two swimmers and one tennis player have represented Hampshire and one girl was crowned IAPS high jump champion (and Wessex record holder for her year group).

The School raised significant donations for charity, including Great Ormond Street Hospital, Naomi House (children's hospice), Cancer Research and the RNLI. The School continues to sponsor a boy in an Indian orphanage.

In the year under review the average number of pupils was 297.

TWYFORD SCHOOL

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GOVERNORS' REPORT

FINANCIAL REVIEW

91% of our revenue expenses in the year and all of our capital expenditures were spent on education. Administration and governance expense (9% of revenue expenses) are kept to a minimum and the Governors act on a pro bono basis. Fees paid by parents are calculated to recover these revenue and capital costs in a prudent manner, taking one year with another. In the last year the unrestricted funds operating "surplus" over revenue costs was £560,567. This was above our budget of £206,864 due mainly to the delay in commencing the new classroom building project, which is now scheduled to run from September 2007 to March 2008, and donations for the all-weather pitch. This "surplus" was added to the funds available for capital expenditure taking them to £915,918 at the end of the year. Accordingly the Governors have been able to authorise further capital expenditures from our 5-year Strategic Development Plan, and are expected to absorb most of this in 2007/2008 subject to relevant planning and building consents.

In the opinion of the Governors the financial position of Twyford School is currently sound.

DEVELOPMENTS

This has been an exciting year for new developments. An excellent all weather sports pitch was completed in November 2006, and opened by Rob Moore, GB Hockey International and Old Twyfordian, in February. Additional grass pitches will be available by January 2009 from the conversion of an adjacent 6 acre field to sports use. The planned refurbishment of the boarding facilities has made an impressive start, with Phase 1 completed this summer and further phases to follow as funding and planning approvals allow. A new building project to provide classrooms and changing facilities is underway, and will facilitate the move of Year 3 pupils to the main site in summer 2008. A temporary classroom has been provided to manage classroom availability until the new build project completes.

Maintenance and upgrading of the Grade 2 Listed Building continues in accordance with the ten year maintenance plan, including rewiring, and significant roofing repair work has been completed for the Pre-Preparatory School buildings and staff housing.

RISK MANAGEMENT

The significant risks to which the School is exposed fall into two categories – those macro risks which are largely outside our control and those which are at least to some extent within our operational control.

The main external macro risks are derived from a potential fall in pupil numbers from either demographic trends or a significant reduction in the affordability of private education.

The Governors are satisfied that operational risks are managed by appropriate management systems. Specifically, the School does not make any use of financial instruments. It therefore has no significant exposure to credit risk or liquidity risk.

The School is therefore as well protected from exposure to risk as is possible for a school of this size.

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GOVERNORS' REPORT

STRATEGIC PLANNING

Our strategy remains to offer top class education and to continue to develop and upgrade our facilities

2009 marks the bicentenary of the School's occupation of the current site, and we plan a year of celebration. We also intend to take the opportunity to establish an Appeal which will focus on further improvement in facilities and also the establishment of a Foundation Fund

It remains our policy not to incur debt for new developments if at all possible

GOVERNORS' INDEMNITY INSURANCE

The School has purchased Governors' indemnity insurance through HSBC Insurance Brokers Ltd to provide cover up to £2 million

PUBLIC BENEFIT

The School is ready to comply with the detailed guidance for the education sector after the consultation phase of the Charities Act 2006 as soon as this becomes available. Our intent is to continue to offer community use of our facilities and also to work with appropriate senior schools to develop bursaries for children of less well off families by September 2009

FIXED ASSETS

In the opinion of the Governors the market value of the School's freehold property is in excess of book value based on the current use of the properties. No independent professional valuation has been carried out. The School has a continuing programme of maintenance and improvement of facilities

INVESTMENT POWERS

The Charity's investment powers are governed by the Memorandum of Association. This permits funds not immediately required to be invested in such securities and investments and in such a manner as may from time to time be determined

RESERVES

At the year end there were free reserves of £398,325 (2006 £55,207) which are funds available for the School to use on management and administration costs as they arise. The Governors consider this level of reserve is sufficient to deal with unexpected items of expenditure needed for the running of the School

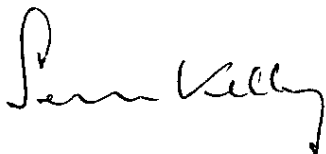
TWYFORD SCHOOL
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GOVERNORS' REPORT

AUDITORS

In accordance with Section 385 of the Companies Act 1985, Tenon Audit Limited, are willing to be re-appointed and a resolution to this effect will be put to the members at the forthcoming Annual General Meeting

Approved by the Board of Governors at its meeting on
and signed on its behalf by



S P Kelly
Chairman

Date 6/12/07

**INDEPENDENT AUDITORS' REPORT TO THE
GOVERNORS OF TWYFORD SCHOOL**
(a Company limited by guarantee)

**ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

We have audited the financial statements of Twyford School on pages 10 to 23 for the year ended 31 July 2007. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's governors, 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 governors 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 governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the statement of governors' responsibilities on page 2, the charity's trustees who are also directors of Twyford School are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Governors' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charity 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 trustees' remuneration and other transactions with the charity is not disclosed.

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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF TWYFORD SCHOOL (CONTINUED)

(a Company limited by guarantee)

ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 July 2007 and of its incoming resources and application of resources including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Governors' Annual Report is consistent with the financial statements

Tenon Audit Limited

Tenon Audit Limited

Registered Auditor

Highfield Court

Tollgate

Chandlers Ford

Eastleigh

Hampshire

SO53 3TY

Date 6 December 2007

TWYFORD SCHOOL**(a Company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES****(Incorporating an Income and Expenditure Account)****For the year ended 31 July 2007**

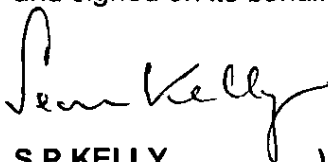
	Notes	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Income from charitable activities					
School fees receivable		3,232,927	-	3,232,927	3,074,307
Additional school activities		283,978	-	283,978	298,962
Registration fees		5,490	-	5,490	3,270
Income from generated funds					
Grants and donations		106,649	-	106,649	24,614
Activities for generating funds					
Late surcharges		1,688	-	1,688	1,427
Investment income		51,856	-	51,856	38,116
Other incoming resources		20,767	-	20,767	9,281
Total incoming resources		<u>3,703,355</u>	<u>-</u>	<u>3,703,355</u>	<u>3,449,977</u>
RESOURCES EXPENDED					
Charitable activities:					
School operating costs	2	2,871,354	-	2,871,354	3,041,779
Governance costs	3	269,213	-	269,213	220,405
Costs of generating funds					
School financing costs		2,221	-	2,221	3,831
Total resources expended		<u>3,142,788</u>	<u>-</u>	<u>3,142,788</u>	<u>3,266,015</u>
NET INCOME FOR THE YEAR		560,567	-	560,567	183,962
Total funds brought forward		<u>3,383,071</u>	<u>398,875</u>	<u>3,781,946</u>	<u>3,597,984</u>
TOTAL FUNDS CARRIED FORWARD	12	<u>3,943,638</u>	<u>398,875</u>	<u>4,342,513</u>	<u>3,781,946</u>

TWYFORD SCHOOL
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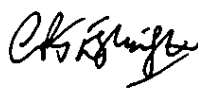
BALANCE SHEET
at 31 July 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	3,844,188	3,626,739
CURRENT ASSETS			
Stocks	7	21,749	21,603
Debtors	8	1,273,619	1,138,132
Cash at bank and in hand		1,114,672	915,918
		<u>2,410,040</u>	<u>2,075,653</u>
CREDITORS: amounts falling due within one year	9	<u>(1,830,615)</u>	<u>(1,851,246)</u>
NET CURRENT ASSETS		579,425	224,407
TOTAL ASSETS LESS CURRENT LIABILITIES		4,423,613	3,851,146
CREDITORS: amounts falling due after more than one year	9	<u>(81,100)</u>	<u>(69,200)</u>
NET ASSETS		<u>4,342,513</u>	<u>3,781,946</u>
ACCUMULATED FUNDS			
Unrestricted funds		3,943,638	3,383,071
Restricted funds		398,875	398,875
	12	<u>4,342,513</u>	<u>3,781,946</u>

The financial statements on pages 10 to 23 were approved by the Board of Governors on 6/12/07 and signed on its behalf by



S P KELLY



C R J EGLINGTON

) Members of the
) Governing Body

TWYFORD SCHOOL
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CASH FLOW STATEMENT
for the year ended 31 July 2007

		2007		2006	
	Notes	£	£	£	£
Net cash inflow from operating activities	13		473,469		297,284
Returns on investments and servicing of finance					
Interest received		51,856		38,116	
Interest paid		(2,221)		(2,548)	
			49,635		35,568
Capital expenditure					
Receipts from sale of tangible fixed assets		350		-	
Payments to acquire tangible fixed assets		(324,700)		(97,820)	
			(324,350)		(97,820)
Net cash inflow before financing			198,754		235,032
Financing					
Hire purchase and finance lease					
Repayments		-		(8,733)	
			-		(8,733)
Increase in cash	15		198,754		226,299

TWYFORD SCHOOL

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NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared under the Charities Act 1993, under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005

Tangible fixed assets

Tangible fixed assets are stated at cost, being purchase price, less accumulated depreciation. No lower limit is applied to individual items that are capitalised

Depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold property	- equal annual instalments over 100 years
Garden machinery	- equal annual instalments over 4 years
Equipment, motor vehicles, fixtures, fittings and furniture	- equal annual instalments over 4 years
Computer equipment	- equal annual instalments over 4 years

Freehold property is included in the accounts at historical cost. The Governors have decided to provide depreciation on the total cost of freehold property with no reduction in depreciable amount to reflect either the carrying value of land or the residual value of the property. To offset this, depreciation is provided over an extended period of 100 years and the property is reviewed for impairment on an annual basis. There is a continuing programme of maintenance to maintain the value of the property, and market value is considered to be in excess of net book value

Stocks

Stocks are valued at the lower of cost, being purchase price, and net realisable value. The cost of books and teaching material is expended in the year of purchase as the realisable value once purchased is considered to be immaterial

Pension benefits

The main pension fund relating to teachers is organised through the Department for Education and Skills. Although this is a defined benefit scheme it is, like other Government schemes, not funded and the School is only obliged to pay the current defined contribution rate, which increased from 13.5% to 14.1% on 1 January 2007

All other pension arrangements are defined contribution schemes where the assets of the schemes are held separately from those of the School in an independently administered fund

In all cases the pension cost charge represents contributions payable by the School to the fund

TWYFORD SCHOOL
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NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (Continued)

Incoming resources

Boarding and Tuition Fees are included within the Financial Statements on an accruals basis. Amounts invoiced in advance are deferred and carried forward within creditors and accruals, whilst amounts due but not yet received in the year are shown within debtors and prepayments.

Donations are included within income on a receivable basis.

School fees receivable comprise unrestricted funds of gross termly fees receivable less allowances made.

Resources expended

Resources expended are accounted for on an accruals basis.

Expenditure is analysed into such categories as to reasonably enable the user to gain an appreciation of the Charity's expenditure during the year.

Governance costs comprise the cost of running the Charity, including strategic planning for its future development, also external audit, any legal advice and costs of complying with constitutional and statutory requirements.

Investment income

Interest receivable on sums invested in bank deposit accounts is recorded gross. The Charity is not liable to tax on this income.

Taxation Status

The School is an exempt Charity and is therefore not liable to Corporation Tax or Capital Gains Tax in respect of its charitable activities.

Leasing

Assets held under finance leases are capitalised in the Balance Sheet and depreciated over their useful lives. The interest element of rental obligations is charged to the income and expenditure account over the period of the lease on a straight line basis.

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

Fund accounting

Unrestricted funds are defined as income realised or generated for the objectives of the Charity without further specified purpose and which are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, will be identified to the fund.

Designated funds are funds set aside by the Governors out of unrestricted general funds for specific future purposes or projects.

TWYFORD SCHOOL

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NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (Continued)

Fund transfers

Resources are transferred from Unrestricted Funds to Restricted Funds where expenditure meeting the criteria laid down by a donor of restricted income exceeds this income

2 SCHOOL OPERATING COSTS

	Unrestricted Funds £	Total 2007 £	Total 2006 £
Teaching costs			
Salaries	1,549,706	1,549,706	1,527,854
Teaching resources	62,058	62,058	67,974
Cost of extra curricular activities	202,542	202,542	235,571
Events	53,565	53,565	18,671
Sports	4,774	4,774	4,096
Transport and motor expenses	17,078	17,078	16,935
Depreciation	50,158	50,158	53,432
Welfare costs			
Catering	247,509	247,509	243,426
House staff and Matrons	80,530	80,530	77,561
Staff welfare	13,716	13,716	5,017
Premises			
Buildings	147,452	147,452	352,241
Cleaning	114,656	114,656	107,554
Grounds and gardens	18,386	18,386	11,669
Ground staff	101,930	101,930	89,630
Miscellaneous	38,208	38,208	54,009
Depreciation	57,094	57,094	59,684
Profit on disposals	(350)	(350)	-
Support costs of schooling			
Advertising	8,483	8,483	10,598
Administration costs	81,197	81,197	85,328
School shop costs	22,660	22,660	20,529
	<u>2,871,354</u>	<u>2,871,354</u>	<u>3,041,779</u>

TWYFORD SCHOOL
(a Company limited by guarantee)

NOTES TO THE ACCOUNTS

3 GOVERNANCE COSTS

	Unrestricted Funds £	Total 2007 £	Total 2006 £
Office salaries	258,088	258,088	210,521
Audit and accountancy	11,125	11,125	9,884
	<u>269,213</u>	<u>269,213</u>	<u>220,405</u>

4 EMPLOYEES

The average number of staff, based on full time equivalent basis, employed by the School during the year was as follows

	2007	2006
Teaching and support	44	43
Administration/miscellaneous	6	6
Grounds and maintenance	5	5
Domestic	1	1
Matron's department	4	4
	<u>60</u>	<u>59</u>

PUPIL NUMBERS

The average number of pupils at the School during the year was as follows

	2007	2006
Boarders	29	37
Day pupils	168	161
Pre-Prep	100	100
	<u>297</u>	<u>298</u>

TWYFORD SCHOOL
(a Company limited by guarantee)

NOTES TO THE ACCOUNTS

5 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	1,683,641	1,609,308
Social security costs	136,307	131,590
Pension costs	170,306	164,668
Other staff costs	21,735	15,615
	<u>2,011,989</u>	<u>1,921,181</u>

No Governor received remuneration within the year (2006 Nil)

	2007	2006
Number of employees who earned between £60,000 and £70,000 in the year	<u>1</u>	<u>1</u>
Pension schemes	2007	2006
Number of Teachers in the Teachers' Pension Scheme	36	39
Number in defined contribution scheme	<u>13</u>	<u>15</u>
	<u>49</u>	<u>54</u>

The School's teaching employees belong to the Teachers' Pension Scheme (TPS) The total pension cost for the period was £157,617 (2006 £148,774)

Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 Actuarial valuations are carried out on a notional set of investments

Under the definitions set out in Financial Reporting Standard 17 Retirement Benefits, the TPS is a multi-employer pension scheme The School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme Accordingly, the School has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme The School has set out below the information available on the deficit in the scheme and the implications for the School in terms of the anticipated contribution rates

TWYFORD SCHOOL
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NOTES TO THE ACCOUNTS

5 STAFF COSTS (continued)

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows -

Latest actuarial valuation	31 March 2001
Actuarial method	Prospective Benefits
Investment returns per annum	7.0% per annum
Salary scale increases per annum	5.0% per annum
Proportion of members' accrued benefits covered by the actuarial value of the assets	100%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 April 2005 to 31 March 2006 the employer contribution was 13.5%. This rate has increased to 14.1% from 1 January 2007.

Defined Contribution Scheme

For support staff £12,689 (2006 £15,894) was paid to a separate defined contribution scheme, the IAPS Pensions Scheme run by Friends Provident. All non-teaching staff are eligible to join this pension scheme.

The Bursar is a member of the ISBA Pensions Scheme run by the Pensions Trust.

At the year end there were unpaid pension contributions of £22,100 (2006 £21,510) which are included in accruals. This balance was paid in full on 17 August 2007.

Related Party Transactions

Mrs J Hawkes, Mrs F White and Mr M Le May had children in the School in 2006/7 and paid full fees.

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NOTES TO THE ACCOUNTS

6 TANGIBLE FIXED ASSETS

	Freehold Property & Improvements to Property £	Furniture Fixtures and Fittings £	Equip- ment £	Computer Equip- ment £	Motor Vehicles £	Garden Machinery £	Total £
Cost							
At 1 August 2006	3,719,500	199,171	319,744	251,600	116,636	41,878	4,648,529
Additions	271,469	7,236	17,836	3,909	-	24,250	324,700
Disposals	-	(13,542)	(15,314)	(7,966)	-	(2,500)	(39,322)
At 31 July 2007	3,990,969	192,865	322,266	247,543	116,636	63,628	4,933,907
Depreciation							
At 1 August 2006	232,520	183,924	269,062	207,147	97,263	31,872	1,021,788
Charge for year	37,321	6,804	25,762	17,593	10,801	8,972	107,253
Disposal charge for year	-	(13,542)	(15,314)	(7,966)	-	(2,500)	(39,322)
At 31 July 2007	269,841	177,186	279,510	216,774	108,064	38,344	1,089,719
Net book value							
At 31 July 2006	3,486,980	15,247	50,682	44,453	19,373	10,006	3,626,739
At 31 July 2007	3,721,128	15,679	42,756	30,769	8,572	25,284	3,844,188

Details of fixed assets held under finance leases and hire purchase contracts, which are included in motor vehicles in the table above, are as follows

	2007 £	2006 £
Net book value	-	6,125
Depreciation charge for the year	6,125	11,295

With the exception of some office equipment all tangible fixed assets are used for direct charitable purposes

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NOTES TO THE ACCOUNTS

7 STOCKS

	2007	2006
	£	£
Clothing	21,749	20,486
Catering	-	1,117
	<u>21,749</u>	<u>21,603</u>

8 DEBTORS

	2007	2006
	£	£
Trade debtors	1,264,789	1,127,266
Prepayments and accrued income	8,830	10,866
	<u>1,273,619</u>	<u>1,138,132</u>

9 CREDITORS

	Due within one year		Due after more than one year	
	2007	2006	2007	2006
	£	£	£	£
Trade creditors	69,265	53,642	-	-
Fees invoiced in advance	1,219,092	1,040,564	-	-
Tax and social security	95,903	95,190	-	-
Accruals	441,855	652,406	-	-
Returnable deposits	4,500	4,600	81,100	69,200
Hire purchase liabilities	-	4,844	-	-
	<u>1,830,615</u>	<u>1,851,246</u>	<u>81,100</u>	<u>69,200</u>

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NOTES TO THE ACCOUNTS

9 CREDITORS (continued)

Secured Liabilities

	2007	2006
	£	£
Included in creditors are the following secured liabilities		
Hire purchase liabilities	-	4,844
	-	4,844
Hire purchase liabilities		
within one year	-	4,923
in the first to second year	-	-
	-	4,923
Finance charges allocated to future periods	-	(79)
	-	4,844
Included in amounts due within one year	-	(4,844)
	-	-

10 CAPITAL COMMITMENTS

At the year end there were amounts committed to but not recognised in respect of capital projects totalling £695,974 (2006 Nil)

11 LEASE COMMITMENTS

At the 31 July 2007 the Charity had aggregate annual commitments under non-cancellable operating leases as set out below

	2007	2006
	£	£
Operating leases which expire		
Within 2 to 5 years	1,500	-

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NOTES TO THE ACCOUNTS

12 ACCUMULATED FUNDS

	Unrestricted Funds 2007 £	Designated Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
At 1 August 2006	3,283,071	100,000	398,875	3,781,946	3,597,984
Incoming resources	3,703,355	-	-	3,703,355	3,406,818
Resources expended	(3,142,788)	-	-	(3,142,788)	(3,222,856)
At 31 July 2007	<u>3,843,638</u>	<u>100,000</u>	<u>398,875</u>	<u>4,342,513</u>	<u>3,781,946</u>

The restricted fund represents the income from appeals and donations to finance fixed asset acquisitions. The investments in fixed assets relating to those funds have been included under the relevant asset headings in the balance sheet.

In 2005 the School created a capital development fund of £100,000 which relates to monies set aside for future capital development projects that are being considered by the Governors.

Analysis of net assets between funds

	Unrestricted Funds 2007 £	Designated Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £
Tangible fixed assets	3,445,313	-	398,875	3,844,188
Current assets	2,310,040	100,000	-	2,410,040
Current liabilities	(1,830,615)	-	-	(1,830,615)
Long term liabilities	(81,100)	-	-	(81,100)
	<u>3,843,638</u>	<u>100,000</u>	<u>398,875</u>	<u>4,342,513</u>

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NOTES TO THE ACCOUNTS

13 RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Net income for the year	560,567	183,962
Investment income	(51,856)	(38,116)
Financing costs	2,221	2,548
Depreciation of tangible fixed assets	107,253	113,116
Profit on disposal of fixed assets	(350)	
(Increase) / decrease in stocks	(146)	(2,547)
(Increase) in debtors	(135,487)	(49,789)
Increase in creditors	(8,731)	88,110
Net cash inflow from operating activities	<u>473,469</u>	<u>297,284</u>

14 ANALYSIS OF NET CASH

	1 August 2006 £	Cash flow £	Other non-cash changes £	31 July 2007 £
Cash				
Cash at bank and in hand	915,918	198,754	-	1,114,672
	<u>915,918</u>	<u>198,754</u>	<u>-</u>	<u>1,114,672</u>
Finance leases	(4,844)	4,844	-	-
Net cash	<u>911,074</u>	<u>203,598</u>	<u>-</u>	<u>1,114,672</u>

15 RECONCILIATION OF NET CASH FLOW MOVEMENT IN NET CASH

	2007 £	2006 £
Increase in cash in the year	198,754	226,299
Cash outflow from decrease in debt and finance leases	4,844	8,773
	<u>203,598</u>	<u>235,032</u>
Net cash at 1 August 2006	911,074	676,042
Net cash at 31 July 2007	<u>1,114,672</u>	<u>911,074</u>

16 CONTROL

Twyford School is under the control of the Governors, as detailed in the Governors' Report