

Companies House
(Filed & signed)

TWYFORD SCHOOL
(a Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2004

Company Registration Number: 558147
(England and Wales)

Charity Registration Number: 307425



TWYFORD SCHOOL
(a Company limited by guarantee)

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TWYFORD SCHOOL

(a Company limited by guarantee)

COMPANY INFORMATION

MEMBERS OF THE TRUST

C E Monaghan (Chairman)
R N Stober
Dr S Bailey
P W Brazier
C R J Eglington
J Hawkes
A Higham
J B Howman

C Jones
S Kelly
M Le May
S Sowden
J Thould
F E White
D T Wickham

SECRETARY

R Porteous

AUDITORS

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

ACCOUNTANTS

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

BANKERS

Barclays Bank Plc
50 Jewry Street
Winchester
SO23 8RG

SOLICITORS

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

REGISTERED OFFICE

Twyford School
Winchester
SO21 1NW

COMPANY REGISTERED NUMBER

558147

CHARITY REGISTERED NUMBER

307425

TWYFORD SCHOOL

(a Company limited by guarantee)

GOVERNORS' REPORT

The Governors present their report and audited accounts for the year ended 31 July 2004 in compliance with current statutory requirements SORP 2000 (revised) Accounting and Reporting by Charities and the School's Memorandum and Articles of Association.

The company changed its name from Twyford School Trust Limited to Twyford School on 19 December 2003.

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.

RISK MANAGEMENT

The major risks to which the Company is exposed have been reviewed and systems which are being monitored continually have been established to mitigate these risks.

CONSTITUTION AND ORGANISATION

Twyford School is a Company registered under the Companies Act 1985 and limited by guarantee, Company number 558147.

The Company is registered with the Charity Commission, number 307425.

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmaster and Bursar.

RESULTS

The surplus for the year amounted to £309,929. The surplus is arrived at as shown in the Statement of Financial Activities.

TWYFORD SCHOOL

(a Company limited by guarantee)

GOVERNORS' REPORT

REVIEW OF THE BUSINESS

The Company's principal objective is the operation of Twyford School, though the Company's objectives allow it to run any other school. In accordance with these objectives, Twyford School is a preparatory school for boys and girls from eight to thirteen years old with both boarding and day pupils. The School also provides pre-preparatory schooling, for day boys and girls from three to seven years old. This is in a different building from the preparatory school but within the same grounds. As well as providing education to a high academic standard the School excels at sporting activities and is well known for its achievements in art, technology and music.

In 2003–2004 the average number of pupils on roll was 288 (2002–2003 = 303). This 5% reduction is due to the change of Headmaster in 2002/2003 and is expected to be temporary. While flexible and weekly boarding remain popular full boarding numbers have declined in common with national trends.

The financial condition of the School at 31 July 2004 is sound. The operating "surplus" over revenue costs for the year was £188,149 which was above budget. In addition a one-off profit of £121,780 was realised from the sale of a house which was surplus to our needs. These results, coupled with unusually low capital expenditure in the year, resulted in a particularly high cash position at year end of £532,450. Expenditures during the summer and those budgeted in the rest of 2004 – 2005 are expected to absorb this. Taking one year with another, financial policy continues to be to recover the revenue and capital costs in a prudent manner so as to maintain the finances of the educational charity in a sound condition.

Looking ahead, the Governors remain of the view that the economic outlook for the next five years is uncertain and likely, in general, to be worse than the last five. Against this background the rising cost of education in real terms is of serious concern. High standards, competitive costs and efficient use of capital budgets will continue to be very important. Given this climate it remains, for the time being, our policy not to go into debt.

FIXED ASSETS

In the opinion of the Governors the market value of the School's freehold property is considerably in excess of book value based on current use of the properties. No independent professional valuation has been carried out. The School has a continuing programme of upgrade and improvement to facilities; during the year it spent £34,027 on property capital improvements and additions and £54,365 on other assets.

INVESTMENT POWERS

The Trust'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.

TWYFORD SCHOOL

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GOVERNORS' REPORT

DEVELOPMENTS

The policy of the Governing Body is to maintain and enhance the facilities of the School. Much of the work identified in a full building survey of the old buildings has been completed.

RESERVES

The unrestricted funds of the Charity of £3,163,438 are invested in tangible fixed assets. The Trustees feel that they will be able to carry on the Charity's activities as school fees receivable in the coming year will be sufficient to cover costs that are expected to be incurred.

TRUSTEES AND GOVERNORS

The Trustees in office at the end of the year, and who have served during the year under review, were as follows:

Dr S Bailey*	M Le May*
P W Brazier *	C E Monaghan** (Chairman)
T Devlin* (resigned 21/11/03)	G Neil-Dwyer (resigned 20/05/04)
C R J Eglington*	R N Stober
S F Eliot* (resigned 21/11/03)	F E White*
Dr H L Harvey* (resigned as a Governor on 21/11/03)	D T Wickham
A Higham	J Thould* (appointed 12/02/04)
J B Howman	S Sowden (appointed 01/09/04)
C Jones	J Hawkes (appointed 12/02/04)
S Kelly*	

** Chairman of Governing Body

* Member of Governing Body

The Governors of Twyford School are also directors and members of the Company.

Under Articles 45 and 46 all members of the Governing Body retire at the Annual General Meeting, but are eligible for re-appointment by the Trustees at the same meeting. Trustees are also appointed by the Board of Trustees at the Annual General Meeting.

MEMBERS LIABILITY

Twyford School is a company limited by guarantee and has no share capital. In the event of a winding up, each member of the Company has undertaken to contribute up to £1 towards any deficit.

TWYFORD SCHOOL

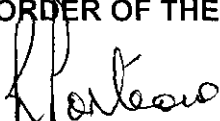
(a Company limited by guarantee)

GOVERNORS' REPORT

AUDITORS

In accordance with Section 385 of the Companies Act 1995, Blueprint 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.

BY ORDER OF THE GOVERNING BODY



R Porteous
Secretary

Date: 19 November 2004

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF TWYFORD SCHOOL

(a Company limited by guarantee)

ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2004

We have audited the financial statements of Twyford School for the year ended 31 July 2004.

These financial statements on pages 8 to 23 have been prepared under the historical cost convention and the accounting policies set out on pages 12 to 13.

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

Respective responsibilities of governors and auditors

The Governors' (who are also the directors of Twyford School for the purpose of Company law) responsibilities for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Governors' responsibilities on page 2.

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 Governors' Report is not consistent with the financial statements, if the charitable Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Charity is not disclosed.

We read other information contained in the Governors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

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

**ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2004**

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 July 2004, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Audit Ltd.

**Blueprint Audit Limited
Registered Auditor**

Highfield Court
Tollgate
Chandlers Ford
Eastleigh
SO53 3TY

Date: *19 November 2004.*

TWYFORD SCHOOL
(a Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 July 2004

	Notes	Unrestricted Funds 2004 £	Restricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
INCOMING RESOURCES					
Donations		424	-	424	1,689
Activities in furtherance of the Charity's objects		2,697,877	-	2,697,877	2,703,664
Other incoming resources	7	56,601	-	56,601	42,489
Total incoming resources		<u>2,754,902</u>	<u>-</u>	<u>2,754,902</u>	<u>2,747,842</u>
RESOURCES EXPENDED					
Costs of activities in furtherance of the Charity's objects		2,185,958	3,819	2,189,777	2,263,218
Resources expended on managing and administering the Charity	4	249,929	-	249,929	247,616
Interest payable	3 8	2,435,887 5,267	3,819 -	2,439,706 5,267	2,510,834 18,085
Total resources expended		<u>2,441,154</u>	<u>3,819</u>	<u>2,444,973</u>	<u>2,528,919</u>
Net movement in funds		313,748	(3,819)	309,929	218,923
Total funds brought forward		<u>2,849,690</u>	<u>381,860</u>	<u>3,231,550</u>	<u>3,012,627</u>
Total funds carried forward	13	<u>3,163,438</u>	<u>378,041</u>	<u>3,541,479</u>	<u>3,231,550</u>

Restricted Funds are for use on capital projects as described in Note 13.

TWYFORD SCHOOL

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INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2004

	Notes	2004 £	2003 £
TURNOVER	2	2,697,877	2,703,664
Running expenses	3	(2,439,706)	(2,510,834)
NET OPERATING INCOME		258,171	192,830
Donations		424	1,689
Other income	7	49,602	40,324
OPERATING INCOME		308,197	234,843
Interest receivable and similar income	7	6,999	2,165
Interest payable and similar charges	8	(5,267)	(18,085)
NET INCOME		309,929	218,923

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

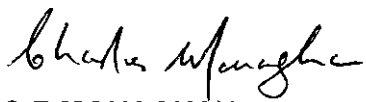
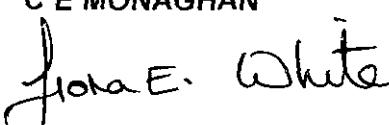
There are no other gains and losses other than those passing through the Income and Expenditure account.

TWYFORD SCHOOL
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BALANCE SHEET
at 31 July 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	9	3,409,266	3,495,693
CURRENT ASSETS			
Stocks	10	24,804	27,597
Debtors	11	78,752	71,104
Cash at bank and in hand		532,450	96,311
		<u>636,006</u>	<u>195,012</u>
CREDITORS: amounts falling due within one year	12	(441,376)	(392,529)
NET CURRENT ASSETS/(LIABILITIES)		<u>194,630</u>	<u>(197,517)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,603,896	3,298,176
CREDITORS: amounts falling due after more than one year	12	(62,417)	(66,626)
NET ASSETS		<u>3,541,479</u>	<u>3,231,550</u>
ACCUMULATED FUNDS			
Unrestricted funds	13	3,163,438	2,849,690
Restricted funds	13	378,041	381,860
		<u>3,541,479</u>	<u>3,231,550</u>

The financial statements on pages 8 to 23 were approved by the Board of Governors on 19 November 2004 and signed on its behalf by:


 C E MONAGHAN)

 P E WHITE) Members of the
) Governing Body

TWYFORD SCHOOL**(a Company limited by guarantee)****CASH FLOW STATEMENT****for the year ended 31 July 2004**

		2004		2003	
	Notes	£	£	£	£
Net cash inflow from operating activities	15		352,732		358,225
Returns on investments and servicing of finance					
Interest received		6,999		2,165	
Interest paid		(5,267)		(18,085)	
			1,732		(15,920)
Capital expenditure					
Receipts from sale of tangible fixed assets		186,000		4,900	
Payments to acquire tangible fixed assets		(88,392)		(159,084)	
			97,608		(154,184)
Net cash inflow before financing			452,072		188,121
Financing					
Loan repayments		-		(66,000)	
Hire purchase and finance lease repayments		(18,508)		(13,318)	
			(18,508)		(79,318)
Increase in cash	17		433,564		108,803

TWYFORD SCHOOL

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NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared in accordance with applicable Accounting Standards, under the historical cost convention and incorporate the results of the principal activity which is described in the Governors' Report and which is continuing.

These accounts comply with the Statement of Recommended Practice 2000 (revised), Accounting and Reporting by Charities and the Companies Act 1985.

Depreciation

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

Stocks

Stocks are valued at the lower of cost 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.

Payroll

Salaries for August following the year end are charged in the current year, as the cost relates to the academic year just ended.

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.

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)

Basis of accounting

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 on receipt except for restricted funds which are released against appropriate expenditure.

Expenditure

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

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 to income on a straight line basis over the lease term.

Fund accounting

The nature and purpose of each fund is described in Note 13.

2. TURNOVER

Turnover comprises unrestricted funds of gross termly fees receivable less allowances made.

TWYFORD SCHOOL
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NOTES TO THE ACCOUNTS

3. RUNNING EXPENSES

Net operating income is stated after charging/(crediting):

	Un- restricted 2004 £	Restricted 2004 £	Total 2004 £	Un- restricted 2003 £
Staff costs	1,706,865	-	1,706,865	1,655,444
Pupil related expenditure	345,516	-	345,516	380,487
School running costs	301,551	-	301,551	260,214
Other administration costs	93,455	-	93,455	99,412
Depreciation of fixed assets	106,780	3,819	110,599	112,688
Auditor's remuneration	3,500	-	3,500	3,700
Profit on disposal	(121,780)	-	(121,780)	(1,111)
	<u>2,435,887</u>	<u>3,819</u>	<u>2,439,706</u>	<u>2,510,834</u>

4. RESOURCES EXPENDED ON MANAGING AND ADMINISTERING THE CHARITY

	Unrestricted 2004 £	Unrestricted 2003 £
Administration staff salaries	139,636	134,192
Training	4,729	4,320
Recruitment costs	8,609	5,992
Postage, stationery, printing and telephone	13,126	15,024
General expenses	8,755	19,215
School magazine	9,601	9,087
Computer expenses	2,662	3,605
Marketing and promotion	21,418	7,578
Legal and professional charges	26,258	38,757
Audit	3,500	3,700
Accountancy	11,635	6,146
	<u>249,929</u>	<u>247,616</u>

TWYFORD SCHOOL

(a Company limited by guarantee)

NOTES TO THE ACCOUNTS

5. EMPLOYEES

The average number of staff employed by the School during the year was as follows:

	2004	2003
Teaching and support	41	41
Administration/miscellaneous	5	5
Grounds and maintenance	4	4
Domestic	1	1
Matron's department	4	4
	<hr/>	<hr/>
	55	55
	<hr/>	<hr/>

PUPIL NUMBERS

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

	2004	2003
Boarders	40	49
Day pupils	159	168
Pre-Prep	89	86
	<hr/>	<hr/>
	288	303
	<hr/>	<hr/>

TWYFORD SCHOOL
(a Company limited by guarantee)

NOTES TO THE ACCOUNTS

6. STAFF COSTS (ALL OCCUPATIONS)

	Unrestricted 2004 £	Unrestricted 2003 £
Wages and salaries	1,423,217	1,386,998
Social security costs	115,970	106,928
Pension costs	145,571	118,795
Other staff costs	22,107	42,723
	<u>1,706,865</u>	<u>1,655,444</u>

No remuneration was received by any of the Governors during the year and no expenses were reimbursed.

Funds belonging to the Charity have been used for the purchase of insurance to indemnify the Trustees and Governors against the consequences of any neglect or default on their part.

	2004	2003
Number of employees who earned between £50,000 and £60,000 in the year	<u>1</u>	<u>1</u>

Pension schemes	2004	2003
Number of Teachers in the Teachers' Pension Scheme	33	31
Number in defined contribution scheme	<u>15</u>	<u>14</u>
	<u>48</u>	<u>45</u>

The School's teaching employees belong to the Teachers' Pension Scheme (TPS). The total pension cost for the period was £133,865 (2003: £108,170)

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

6. 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 2003 to 31 March 2004 the employer contribution was 13.5%. This rate remains at 13.5% from 1 April 2004.

For support staff £11,706 (2003: £10,625) was paid to a separate defined contribution scheme which is run by the Pensions Trust. All non-teaching staff are eligible to join this pension scheme.

TWYFORD SCHOOL
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NOTES TO THE ACCOUNTS

7. OTHER INCOMING RESOURCES

	Unrestricted Total 2004 £	Unrestricted Total 2003 £
Surplus on extras	27,834	3,311
Registration fees	4,860	6,565
Clothes shop surplus less management fee	1,455	28
Surcharges - fees paid late	1,694	2,003
Sundry receipts	13,759	28,417
	<u>49,602</u>	<u>40,324</u>
Interest receivable	6,999	2,165
	<u>56,601</u>	<u>42,489</u>

8. INTEREST PAYABLE

	Unrestricted Total 2004 £	Unrestricted Total 2003 £
Bank interest and charges	2,879	4,806
HP and finance leases	2,388	2,562
Bank loan	-	10,717
	<u>5,267</u>	<u>18,085</u>

TWYFORD SCHOOL

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NOTES TO THE ACCOUNTS

9. 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 2003	3,436,426	180,172	252,994	198,126	115,887	20,425	4,204,030
Additions	34,027	6,949	22,025	5,831	-	19,560	88,392
Disposals	(67,600)	-	-	-	-	-	(67,600)
At 31 July 2004	<u>3,402,853</u>	<u>187,121</u>	<u>275,019</u>	<u>203,957</u>	<u>115,887</u>	<u>39,985</u>	<u>4,224,822</u>
Depreciation:							
At 1 August 2003	131,578	164,601	212,563	135,470	53,748	10,377	708,337
Charge for year	34,451	8,432	17,306	20,478	24,483	5,449	110,599
Disposals	(3,380)	-	-	-	-	-	(3,380)
At 31 July 2004	<u>162,649</u>	<u>173,033</u>	<u>229,869</u>	<u>155,948</u>	<u>78,231</u>	<u>15,826</u>	<u>815,556</u>
Net book value:							
At 31 July 2004	<u>3,240,204</u>	<u>14,088</u>	<u>45,150</u>	<u>48,009</u>	<u>37,656</u>	<u>24,159</u>	<u>3,409,266</u>
At 31 July 2003	<u>3,304,848</u>	<u>15,571</u>	<u>40,431</u>	<u>62,656</u>	<u>62,139</u>	<u>10,048</u>	<u>3,495,693</u>

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:

	2004 £	2003 £
Net book value	37,656	62,139
Depreciation charge for the year	24,483	18,358

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

TWYFORD SCHOOL
(a Company limited by guarantee)

NOTES TO THE ACCOUNTS

10. STOCKS

	2004	2003
	£	£
Clothing	22,752	25,165
Catering	2,052	2,432
	<u>24,804</u>	<u>27,597</u>

11. DEBTORS

	2004	2003
	£	£
Trade debtors	68,992	61,058
Prepayments and accrued income	9,760	10,046
	<u>78,752</u>	<u>71,104</u>

12. CREDITORS

	Due within one year		Due after more than one year	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdraft	4,275	1,700	-	-
Trade creditors	44,212	22,413	-	-
Fees received in advance	36,366	43,413	-	-
Tax and social security	83,041	78,910	-	-
Accruals	250,477	217,889	-	-
Returnable deposits	4,400	4,500	52,600	43,400
Hire purchase liabilities	18,605	23,704	9,817	23,226
	<u>441,376</u>	<u>392,529</u>	<u>62,417</u>	<u>66,626</u>

TWYFORD SCHOOL
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NOTES TO THE ACCOUNTS

12. **CREDITORS (continued)**

Secured Liabilities

	2004	2003
	£	£
Included in creditors are the following secured liabilities:		
Bank loans and overdrafts	4,275	1,700
Hire purchase liabilities	28,422	46,930
	<u>32,697</u>	<u>48,630</u>
Hire purchase liabilities		
within one year	20,891	25,509
in the second to fifth year	10,121	24,381
	<u>31,012</u>	<u>49,890</u>
Finance charges allocated to future periods	(2,590)	(2,960)
	<u>28,422</u>	<u>46,930</u>
Included in amounts due within one year	(18,605)	(23,704)
	<u>9,817</u>	<u>23,226</u>

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NOTES TO THE ACCOUNTS

13. ACCUMULATED FUNDS

	Unrestricted Funds 2004 £	Restricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
At 1 August 2003	2,849,690	381,860	3,231,550	3,012,627
Net movement in funds	313,748	(3,819)	309,929	218,923
At 31 July 2004	<u>3,163,438</u>	<u>378,041</u>	<u>3,541,479</u>	<u>3,231,550</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.

Analysis of net assets between funds

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds 2004 £
Tangible assets	378,041	3,031,225	3,409,266
Current assets	-	636,006	636,006
Current liabilities	-	(441,376)	(441,376)
Long term liabilities	-	(62,417)	(62,417)
	<u>378,041</u>	<u>3,163,438</u>	<u>3,541,479</u>

14. FINANCIAL COMMITMENTS

There was no future capital expenditure which had been authorised or contracted for at the year end.

TWYFORD SCHOOL**(a Company limited by guarantee)****NOTES TO THE ACCOUNTS****15. RECONCILIATION OF NET OPERATING SURPLUS
TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2004	2003
	£	£
Net operating income	258,171	192,830
Other income	50,026	42,013
Depreciation of tangible fixed assets	110,599	112,688
Profit on disposal of fixed assets	(121,780)	(1,111)
Decrease in stocks	2,793	4,810
(Increase)/decrease in debtors	(7,648)	7,887
Increase/(decrease) in creditors	60,571	(892)
	<u>352,732</u>	<u>358,225</u>

16. ANALYSIS OF NET CASH

	1 August 2003	Cash flow	Other non-cash changes	31 July 2004
	£	£	£	£
Cash:				
Cash at bank and in hand	96,311	436,139	-	532,450
Debt:				
Bank overdraft	(1,700)	(2,575)	-	(4,275)
	<u>94,611</u>	<u>433,564</u>	<u>-</u>	<u>528,175</u>
Finance leases	(46,930)	18,508	-	(28,422)
	<u>47,681</u>	<u>452,072</u>	<u>-</u>	<u>499,753</u>

**17. RECONCILIATION OF NET CASH FLOW MOVEMENT
IN NET CASH**

	2004	2003
	£	£
Increase in cash in the year	433,564	108,803
Cash outflow from decrease in debt and finance leases	18,508	79,318
New lease	-	(26,750)
	<u>452,072</u>	<u>161,371</u>
Net cash/(debt) at 1 August 2003	47,681	(113,690)
	<u>499,753</u>	<u>47,681</u>