

Financial Statements - 31 August 2003

751 662

CONTENTS

	Page
General Information	1
Trustees' Report	2-5
Auditors' Report	6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Statements	10-22



# **GREAT WALSTEAD LIMITED**

## **General Information**

### **TRUSTEES:**

F R D Chartres  
Mrs S E Crichton  
Mrs M E Ireland  
Professor A J Nunn  
M J Olliff-Lee  
R G Plumb  
Canon G T Rideout  
Mrs B E Sewell  
M Slater

### **CLERK TO THE GOVERNORS:**

Dr G E G Campling

### **SECRETARY:**

Mrs S E Crichton

### **REGISTERED OFFICE:**

37 Frederick Place  
Brighton  
BN1 4EA

### **REGISTERED AUDITORS:**

Mazars  
37 Frederick Place  
Brighton  
BN1 4EA

### **BANKERS:**

Lloyds TSB Bank plc  
99/101 South Road  
Haywards Heath  
West Sussex  
RH16 4ND

### **REGISTERED NUMBER:**

751662

### **CHARITY REGISTRATION NUMBER:**

307002

## **Trustees' Report**

The trustees present their report and the financial statements for the year ended 31 August 2003.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the net incoming or outgoing resources of the charitable company for the year.

In preparing those financial statements, the trustees are required to:

- select suitable United Kingdom accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements and whether the financial statements have been prepared in accordance with the Charities Statement of Recommended Practice; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for:

- maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985 and Charities Act 1993; and
- safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **LEGAL CONSTITUTION**

The school was founded in 1925 and was incorporated as a company on 27 February 1963 and is governed by its Memorandum and Articles of Association. The company is a registered charity, no 307002.

The company is limited by guarantee and has no share capital.

### **RISK MANAGEMENT**

A risk assessment was carried out during the year by the trustees and policies have been established to mitigate the major risks to which the charitable company is exposed.

### **OBJECTIVES**

The main object of the charitable company is the provision of educational facilities.

The main activities of the charitable company during the year continued to be providing educational facilities for children.

**Trustees' Report (continued)**

**REVIEW OF DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS**

The school continues to thrive. 452 children are on the school roll as at September 2003 – a record number for the start of an Academic year. In 6 of the 9 years of the school (from Reception to Year 8) there are now three forms rather than the two form intake in previous years. The forward picture is also healthy with waiting lists for places in the Nursery – the school's main intake point.

Weekly/flexible boarding remains popular with 41 children regularly taking up places in September 2003 for one or more nights per week. This means that the school is operating its boarding arrangements close to capacity on most nights.

Over the last year there have been substantial improvements to the fabric of the school: the re-routing of the road around the hard play area/dropping off point for the younger children has been finished; the swimming pool has been totally refurbished and a music "laboratory" has been installed in the music school (with financial help from the school's parent organisation) which will greatly enhance classroom teaching of music and composition. A programme for improving the changing rooms and toilets is well under way. The school has plans to install a retractable cover on the swimming pool which, together with the associated heating and changing arrangements, will enable the pool to become an all-year-round facility.

Investment in Information and Communication Technology has been substantial. An additional 5 interactive whiteboards, making 15 in total, have been installed in classrooms (from Year 3 upwards). The school now has a new server, most of its computers have been upgraded to Windows 2000 and work has continued with wiring to enable the whole school to be networked.

Academically too the school has had a very successful year with 16 children leaving the school in July 2003 with scholarships to senior schools – more than half the top year.

Other highlights of the year illustrate the wide range of activities and achievements within the school. A performing arts week in the Summer term displayed the wealth of creative and artistic talent in the school. Music has an increasingly high profile within the school with a range of informal and formal concerts featuring soloists as well as junior and senior choirs, orchestras and ensembles. The main school play for the year, 'The Lion, The Witch And The Wardrobe' was a great success as were form plays and other dramatic productions throughout the year. On the sports field, there were many individual successes – a signing for Brighton and Hove Albion Football Club, one pupil getting into the national tennis squad, county representation at cricket and IAPS athletics finalists. There were also impressive team performances, notably in rugby (at Colts and U10 and U9 level) and netball (at U11 level).

The school supports a number of charities and continues to strengthen its links with the community. Highlights in this area of service include significant contributions to work amongst AIDS victims in Isubilo, Zambia, a shoe box appeal, support for Tear Fund and Red Nose Day. The school visits local old people's homes for carol singing and in the Spring hosted some 170 senior citizens to a concert followed by tea – a well established event in the school and the community's calendars. The schools facilities are also regularly hired out to local sports clubs, churches, etc and for weddings.

Great Walstead has a very good reputation within the area and maintains a high profile. This means that the School is well placed to go forward confidently.

## GREAT WALSTEAD LIMITED

### Trustees' Report (continued)

#### FINANCIAL POSITION

The Statement of Financial Activities on page 7 shows total net incoming resources of £162,773 (2002 - £127,276).

The level of activity for the year was very good and the trustees hope that this will continue for the foreseeable future. The total group funds balance at the year end was £4,528,610 (2002 - £4,365,837).

Walstead Estates Limited, the 100% subsidiary of Great Walstead Limited is no longer trading and is dormant.

Details of changes in fixed assets are given in notes 11 and 12 to the financial statements.

#### RESERVES POLICY

It is the policy of the trustees to maintain a sufficient level of unrestricted revenue funds to ensure the satisfactory and continued operation of the charitable company.

On 31 August 2003 the charitable company had unrestricted funds of £4,525,509 of which £2,292,493 was represented by the 'Revaluation reserve' and £2,233,016 is general funds.

The reserves policy is under review by the trustees with the objective of updating this.

#### TRUSTEES

The trustees set out below have held office during the whole of the period from 1 September 2002 to the date of this report, unless otherwise stated. The guarantees given by the trustees holding office on 31 August 2003 were as shown below:

Trustee's name	31 August 2003	1 September 2002
	£	£
K P Ardagh (resigned 30 November 2002)	-	1
F R D Chartres	1	1
Mrs S E Crichton (appointed 30 November 2002)	1	-
Mrs P J Fanner (resigned 30 June 2003)	-	1
Mrs M E Ireland	1	-
Professor A J Nunn	1	1
M J Olliff-Lee	1	1
R G Plumb	1	1
Canon G T Rideout	1	1
Mrs B E Sewell	1	1
M Slater	1	1

# **GREAT WALSTEAD LIMITED**

## **Trustees' Report (continued)**

### **AUDITORS**

On 1 September 2002 our auditors, Mazars Neville Russell, changed their name to Mazars. A resolution to re-appoint Mazars as auditors will be proposed at the forthcoming annual general meeting.

Approved by the board on  
and signed on its behalf by



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M J Olliff-Lee  
Trustee

37 Frederick Place  
Brighton  
BN1 4EA

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREAT WALSTEAD LIMITED**

We have audited the financial statements of Great Walstead Limited for the year ended 31 August 2003 which consists of the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charitable company's trustees are responsible for the preparation of the 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 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 and Charities Act 1993. We also report to you if, in our opinion, the Trustees' 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 charitable company is not disclosed.

We read the Trustees' Report 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 August 2003 and of its net incoming resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Mazars*

**Mazars**  
Chartered Accountants and Registered Auditors  
37 Frederick Place  
Brighton BN1 4EA

*1 December 2003*

# GREAT WALSTEAD LIMITED

## Statement of Financial Activities For the Year Ended 31 August 2003

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2003 £	Total funds 2002 £
<b>INCOME AND EXPENDITURE</b>					
<b>Incoming resources</b>					
Donations and similar incoming resources		9,579	72	9,651	12,776
Activities in furtherance of charity's objectives:					
Fees		2,505,722	-	2,505,722	2,252,520
Disbursements and other income	3	198,521	1,504	200,025	200,941
Activities for generating funds:					
Rental income		42,700	-	42,700	31,138
Clothing sales		34,066	-	34,066	35,025
Investment income		5,505	-	5,505	6,298
<b>Total incoming resources</b>		<u>£2,796,093</u>	<u>£1,576</u>	<u>£2,797,669</u>	<u>£2,538,698</u>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Advertising		23,894	-	23,894	31,119
Cost of clothing		22,911	-	22,911	24,008
<b>Charitable expenditure</b>					
Costs in furtherance of charity's objects:					
Provision of education		1,719,930	-	1,719,930	1,582,293
Premises		223,400	1,957	225,357	172,992
Support costs	5	613,366	-	613,366	567,113
Management and administration	6	29,438	-	29,438	33,897
<b>Total resources expended</b>	7	<u>£2,632,939</u>	<u>£1,957</u>	<u>£2,634,896</u>	<u>£2,411,422</u>
<b>Net incoming resources</b>		163,154	(381)	162,773	127,276
Fund balances brought forward at 1 September 2002		<u>4,362,355</u>	<u>3,482</u>	<u>4,365,837</u>	<u>4,238,561</u>
<b>Fund balance brought forward at 31 August 2003</b>	16	<u>£4,525,509</u>	<u>£3,101</u>	<u>£4,528,610</u>	<u>£4,365,837</u>

The Statement of Financial Activities reflects the results of continuing activities for the year.

There were no recognised gains or losses other than the net incoming resources for the year.



# GREAT WALSTEAD LIMITED

## Balance Sheet at 31 August 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	11	4,943,414	4,705,779
Investments - group undertakings	12	1	1
		<u>4,943,415</u>	<u>4,705,780</u>
<b>CURRENT ASSETS</b>			
Stocks		42,443	32,050
Debtors	13	54,144	60,232
Cash at bank and in hand		906	515
		<u>97,493</u>	<u>92,797</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<u>(228,564)</u>	<u>(302,006)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(131,071)</u>	<u>(209,209)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,812,344	4,496,571
<b>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	15	<u>(283,734)</u>	<u>(130,734)</u>
<b>NET ASSETS</b>		<u><u>£4,528,610</u></u>	<u><u>£4,365,837</u></u>
<b>ACCUMULATED FUNDS</b>			
Unrestricted funds	16	4,525,509	4,362,355
Restricted funds	16	3,101	3,482
<b>TOTAL FUNDS</b>	16	<u><u>£4,528,610</u></u>	<u><u>£4,365,837</u></u>

Approved by the trustees on 29 Nov 2003, and signed on their behalf by

*F.R.D. Chartres*

F R D Chartres - Trustee

# GREAT WALSTEAD LIMITED

## Cash Flow Statement For the Year Ended 31 August 2003

		2003	2002
		£	£
	Notes		
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	18	303,689	178,143
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		5,505	6,298
Interest paid		<u>(8,513)</u>	<u>(13,502)</u>
		(3,008)	(7,204)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		<u>(316,285)</u>	<u>(177,180)</u>
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(15,604)	(6,241)
<b>FINANCING</b>			
Repayment of long term bank loan		<u>(129,431)</u>	<u>(59,111)</u>
		<u>(129,431)</u>	<u>(59,111)</u>
<b>DECREASE IN CASH IN THE YEAR</b>		<u>£(145,035)</u>	<u>£(65,352)</u>
<b>RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT</b>			
Decrease in cash in the period		(145,035)	(65,352)
Change in net debt resulting from cashflow		<u>129,431</u>	<u>59,111</u>
Movement in net debt in the year		(15,604)	(6,241)
<b>Net debt at 1 September 2002</b>		<u>(199,374)</u>	<u>(193,133)</u>
<b>Net debt at 31 August 2003</b>	19	<u>£(214,978)</u>	<u>£(199,374)</u>

**Notes to the Financial Statements  
For the Year Ended 31 August 2003**

**1 ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities.

**(a) Basis of preparation**

The financial statements are those of the company, Great Walstead Limited. Its subsidiary, Walstead Estates Limited, has not been included on the grounds of immateriality.

**(b) Accounting convention**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

**(c) Fees receivable**

Fees receivable represent the amounts invoiced in respect of the provision of educational and related services for children. Such services are exempt from value added tax. A provision is made for disbursements incurred in the last school term which are invoiced in the following term.

**(d) Appeal income**

Appeal income is accounted for on a cash basis as a restricted fund.

**(e) Depreciation**

Freehold land and buildings:

No depreciation is provided on the freehold buildings on the grounds of immateriality as in the opinion of the trustees the residual value of the asset is not materially different from its carrying value. The company policy is to ensure that its freehold land and buildings are maintained to a consistently high standard.

No depreciation is required on freehold land.

Depreciation is calculated to write off the cost of the other fixed assets over their estimated useful economic lives.

**(f) Fixed assets**

Freehold land and buildings:

Until 31 August 1999, land and buildings were revalued periodically. Following the adoption of FRS15 land and buildings are no longer revalued. At 1 September 1999, the net book value of assets previously revalued is regarded as the historical cost.

**Notes to the Financial Statements  
For the Year Ended 31 August 2003**

**1 ACCOUNTING POLICIES (continued)**

**(f) Fixed assets (continued)**

All building work which is considered to increase the economic value of the property is capitalised with the exception of maintenance work designed to restore the buildings to their previous condition.

**Plant and Equipment**

Expenditure on equipment with a useful potential life of five years or more is capitalised.

**(g) Donations**

Cash donations are accounted for on a receipts basis.

**(h) Leasing**

**Operating leases**

Rents payable under operating leases are charged on a straight line basis over the term of the lease.

**(i) Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using a first-in-first-out method and consists of material costs only.

**(j) Covenanted income**

Tax related to covenanted donations is accounted for on a receipts basis.

**(k) Taxation**

The company is not subject to corporation tax due to the fact that it has charitable status.

**(l) Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

**(m) Allocation of expenditure**

In general, expenditure is allocated between categories of expenditure of the charitable company on an invoice basis. Some expenditure is allocated between categories where relevant.

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 1 ACCOUNTING POLICIES (continued)

#### (n) Pension costs

##### Defined benefit scheme

Contributions payable to the Teachers' Pension Scheme are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of the employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

##### Defined contribution scheme

Contributions payable for teaching staff who do not belong to the Teachers' Pension Scheme are charged to the income and expenditure account in the period to which they relate.

### 2 SEGMENTAL INFORMATION

The fees receivable, net incoming resources and accumulated funds are attributable to the principal activity, the provision of educational facilities for children.

The company operates in the UK and the whole of the fees receivable are from the UK based activities.

### 3 OTHER INCOME

	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Disbursements	114,272	-	114,272	110,892
House parties	4,714	-	4,714	5,353
Pupil insurance	8,625	-	8,625	4,838
Other income	70,910	1,504	72,414	79,858
	<u>£198,521</u>	<u>£1,504</u>	<u>£200,025</u>	<u>£200,941</u>

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 4 SUBSIDIARY

Great Walstead Limited has one wholly owned subsidiary, Walstead Estates Limited.

Walstead Estates Limited, which is incorporated in the UK, is dormant; all assets and liabilities were transferred to Great Walstead Limited on 31 March 1997.

Great Walstead Limited has carried on all of Walstead Estate Limited's business activities since 1 April 1997.

### 5 SUPPORT COSTS

	2003 £	2002 £
Wages and salaries	482,286	417,995
Pensions	4,723	5,462
Depreciation	78,650	64,250
Office expenses	36,154	31,807
Legal and professional	1,384	18,209
Sundry	16,437	32,347
Bad debts	(6,268)	(2,957)
	<u>£613,366</u>	<u>£567,113</u>

### 6 MANAGEMENT AND ADMINISTRATION

	2003 £	2002 £
Wages and salaries	4,443	4,565
Pensions	408	332
Audit and accountancy fees	13,430	13,200
Bank charges and interest	8,513	13,502
Trustees' expenses	560	298
Clerk to governors' expenses	2,084	2,000
	<u>£29,438</u>	<u>£33,897</u>

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 7 TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total 2003 £	Total 2002 £
Cost of generating funds	-	-	46,805	46,805	55,127
Provision of education	1,396,028	-	323,902	1,719,930	1,582,293
Premises	-	-	225,357	225,357	172,992
Support costs	487,009	78,650	47,707	613,366	567,113
Management and administration	4,851	-	24,587	29,438	33,897
	<u>£1,887,888</u>	<u>£78,650</u>	<u>£668,358</u>	<u>£2,634,896</u>	<u>£2,411,422</u>

### 8 NET INCOMING RESOURCES FOR THE YEAR

	2003 £	2002 £
Net incoming resources for the year are stated after charging:		
Provision for bad debts and debts written off	(6,268)	(2,957)
Depreciation of owned tangible fixed assets	78,650	64,250
Auditor's remuneration - audit	10,800	10,545
- non audit services	2,630	2,655
Staff costs	1,887,888	1,719,143
Amounts payable under operating leases	<u>15,832</u>	<u>11,591</u>

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 9 STAFF COSTS

	2003 £	2002 £
Staff costs:		
Wages and salaries	1,667,609	1,534,672
Social security costs	113,762	104,943
Other pension costs	106,517	79,528
	<u>£1,887,888</u>	<u>£1,719,143</u>

The average number of employees (full-time equivalents), analysed by function, was:

	2003	2002 As restated
Educational services	50	48
Support services	30	31
	—	—
	80	79
	=	=

The number of employees receiving emoluments in the following band were:

	2003	2002
£50,000 to £60,000	1	1
	=	=

### 10 TRUSTEES

No remuneration was paid to any of the trustees during the year.

Expenses reimbursed to two trustees in relation to travel amounted to £195 (2002 - £178). During the year, some trustees attended conferences and seminars organised by the Governing Bodies Association. The total cost was £365 (2002 - £120).



# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 11 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant fixtures, fittings and equipment £	Transport and equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 September 2002	4,387,015	779,342	6,236	5,172,593
Additions	145,947	170,338	-	316,285
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2003	<u>£4,532,962</u>	<u>£949,680</u>	<u>£6,236</u>	<u>£5,488,878</u>
Cost:	2,032,962	860,109	6,236	2,899,307
Valuation: 1981	2,500,000	-	-	2,500,000
1987	-	89,571	-	89,571
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>£4,532,962</u>	<u>£949,680</u>	<u>£6,236</u>	<u>£5,488,878</u>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 September 2002	-	460,578	6,236	466,814
Charge for the year	-	78,650	-	78,650
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2003	<u>-</u>	<u>£539,228</u>	<u>£6,236</u>	<u>£545,464</u>
<b>NET BOOK VALUES</b>				
At 31 August 2003	<u>£4,532,962</u>	<u>£410,452</u>	<u>-</u>	<u>£4,943,414</u>
At 31 August 2002	<u>£4,387,015</u>	<u>£318,764</u>	<u>-</u>	<u>£4,705,779</u>

Depreciation rates:

- Plant and equipment - written down value at 20% per annum
- Motor vehicles - straight line at 20% per annum

Following the adoption of FRS15, Tangible Fixed Assets, freehold buildings are no longer revalued.

The original cost of the freehold land and buildings valued in 1981 was £368,543.

Plant, fixtures, fittings and equipment were revalued by the trustees at 31 July 1987 on the basis of the lower of cost or net realisable value.

The net book value at 31 August 2003 represents fixed assets used for charitable purposes.

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 12 FIXED ASSET INVESTMENT – WALSTEAD ESTATES LIMITED

	2003 £	2002 £
Unlisted:		
At cost:		
300 ordinary £1 shares and 5,600 7% fixed cumulative preference shares of £1 each in Walstead Estates Limited	5,434	5,434
Less: Aggregate amount written off	(5,433)	(5,433)
	<u>£ 1</u>	<u>£ 1</u>

A further 100 £1 ordinary shares are held by a nominee on behalf of the company.

Walstead Estates Limited, an estate management company registered in England and Wales, is a wholly owned subsidiary.

	Net liabilities	Profit for the year
Additional information on subsidiary company:	Nil	Nil

Walstead Estates Limited is dormant; all assets and liabilities were transferred to Great Walstead Limited on 31 March 1997.

The results of Walstead Estates Limited are not consolidated, on the grounds of immateriality.

### 13 DEBTORS

	2003 £	2002 £
DUE WITHIN ONE YEAR		
Trade debtors	31,567	25,166
Prepayments and other debtors	22,577	35,066
	<u>£54,144</u>	<u>£60,232</u>

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loan and overdraft	-	133,405
Trade creditors	85,335	46,301
Other creditors	6,003	6,994
Pension costs	19,670	11,804
Taxation and social security	37,133	32,995
Accruals	16,248	17,187
Deferred income	64,175	53,320
	<u>£228,564</u>	<u>£302,006</u>

### 15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Bank overdraft	215,884	-
Bank loan	-	66,484
Parents' deposits	67,850	64,250
	<u>£283,734</u>	<u>£130,734</u>

Overdraft facilities are renewed for a rolling two year period. The use of the facility has been included under this heading because the trustees do not envisage that the circumstances requiring repayment on demand will arise.

This committed overdraft is secured by a charge on the freehold land and property limited to £1,000,000.

Included in the above are the following:

Amounts repayable by instalments:

Repayable within five years	-	<u>£66,484</u>
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The bank loan bears interest at 1.75% over base rate. At the year end the base rate was 4%.

Analysis of debt maturity:	2003 £	2002 £
Bank loan and overdraft		
Amounts payable:		
In one year or less or on demand	-	62,947
Between one and two years	-	66,484
	<u>-</u>	<u>£129,431</u>

The bank loan was repaid during the year.

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 16 RESERVES

	UNRESTRICTED FUNDS		RESTRICTED FUNDS			
	Revaluation reserve £	Revenue reserve £	Appeal fund £	Wilmot fund £	Woodland maintenance fund £	Total £
At 31 August 2002	2,292,789	2,069,566	807	200	2,475	4,365,837
Surplus for the year	-	163,154	72	-	(453)	162,773
Transfer of depreciation on revalued assets	(296)	296	-	-	-	-
At 31 August 2003	<u>£2,292,493</u>	<u>£2,233,016</u>	<u>£879</u>	<u>£200</u>	<u>£2,022</u>	<u>£4,528,610</u>

The Appeal fund is a building fund which was set up in the year ended 31 August 1986 for future building works.

The Wilmot fund is a fund set up to provide academic prizes.

The Woodland maintenance fund was set up to clear and replant the school woodland which was severely damaged in the storm of 1987.

### 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	4,943,415	-	4,943,415
Current assets	94,392	3,101	97,493
Current liabilities	(228,564)	-	(228,564)
Creditors due after more than one year	(283,734)	-	(283,734)
	<u>£4,525,509</u>	<u>£3,101</u>	<u>£4,528,610</u>

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 18 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH INFLOW

	2003 £	2002 £
Net incoming resources	162,773	127,276
Depreciation	78,650	64,250
Interest received	(5,505)	(6,298)
Interest payable	8,513	13,502
Change in stock	(10,393)	14,289
Change in debtors	6,088	(5,519)
Change in creditors	63,563	(29,357)
	<u>£303,689</u>	<u>£178,143</u>

### 19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2002 £	Cash flows £	At 31 August 2003 £
Cash at bank and in hand	515	391	906
Overdraft	(70,458)	(145,426)	(215,884)
	<u>(69,943)</u>	<u>(145,035)</u>	<u>(214,978)</u>
Debt due within one year	(62,947)	62,947	-
Debt due after one year	(66,484)	66,484	-
	<u>£(199,374)</u>	<u>£(15,604)</u>	<u>£(214,978)</u>

# GREAT WALSTEAD LIMITED

## Notes to the Financial Statements For the Year Ended 31 August 2003

### 20 PENSION COMMITMENTS

#### Teachers Pension Scheme (TPS)

The TPS 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.

The company has a separate commitment of approximately £2,205 (2002 - £2,130) per annum in respect of a retired member of staff.

The total pension cost for the institution was:

	Year ended 31 August 2003 £	Year ended 31 August 2002 £
Contributions to TPS	94,417	65,368
Contributions to individual personal pensions	12,100	14,160
Total pension cost	<u>£106,517</u>	<u>£79,528</u>

Notes to the Financial Statements  
For the Year Ended 31 August 2003

20 PENSION COMMITMENTS (continued)

SSAP24

The pension 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%
Salary scale increases per annum	5.0%
Market value of assets at date of last valuation	£142,880m
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 employer's contributions. For the period from 1 April 2002 to 31 March 2003 the employer contribution was 8.35%. This rate increased to 13.5% from 1 April 2003. An appropriate SSAP24 provision in respect of unfunded pensioners' benefits is included in provisions.

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 above the information available on the deficit in the scheme and the implications for the School in terms of the anticipated contribution rates.

Some members of the teaching staff are not in the above scheme and have private schemes to which the company makes contributions.

At 31 August 2003, costs in respect of post retirement benefits amounting to £19,670 (2002 - £11,804) were payable by the company and included in creditors.

21 OTHER FINANCIAL COMMITMENTS

At 31 August 2003 the company was committed to making the following payment under non-cancellable operating leases in the year to 31 August 2004:

	2003 £	Equipment 2002 £
Operating leases which expire:		
Within 1 year	-	8,023
Within 2 to 5 years	15,832	12,018
	<u>£15,832</u>	<u>£20,041</u>