

GREAT WALSTEAD LIMITED

Financial Statements - 31 August 2007

REGISTRAR OF COMPANIES

751662

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COMPANIES HOUSE

GREAT WALSTEAD LIMITED

General Information

TRUSTEES:

M J Olliff-Lee (Chair)
Mrs S E Crichton
T J Ebdon
Mrs M E Ireland
Mrs J Lee
S J Mayes
Professor A J Nunn
R G Plumb
Canon G T Rideout
Mrs B E Sewell
P M Wells

CLERK TO THE GOVERNORS:

Dr G E G Campling

SECRETARY:

Mrs S C Hall (appointed 30 September 2006)

REGISTERED OFFICE:

37 Frederick Place
Brighton
BN1 4EA

REGISTERED AUDITORS:

Mazars LLP
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

GREAT WALSTEAD LIMITED

Trustees' Report

The trustees present their report and the financial statements for the year ended 31 August 2007

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

Each trustee has taken all steps that they ought to have taken in order to make themselves aware of any information relevant to the audit, establish that auditors are aware of that information and that there is no information relevant to the audit of which the company's auditors are unaware

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

The risk assessments were reviewed by the trustees and policies maintained 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)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by its Memorandum and Articles of Association. The Governing Board is restricted to twelve members. Others can be co-opted to undertake specific jobs.

The Governing Board ensures that Trustees are appointed who can offer expertise and /or experience in specific areas. Experience in finance, law, education, pastoral care, marketing, management and buildings are considered essential and all these areas are covered at present. Most governors have a job description detailing his/her responsibilities. There are Working Groups that are made up of at least two governors and appropriate members of the school's senior management. These Groups cover finance, fabric, ICT, legal matters and the strategic plan. Each Group has written terms of reference and minutes of meetings are circulated to all governors. The Working Groups put recommendations to the full Board as necessary. All decisions are ratified at full Board Meetings.

METHOD OF RECRUITMENT OF TRUSTEES

The Governing Board looks for new Trustees to cover the particular expertise that is needed. Most Trustees have had involvement with the school before they are appointed - as past or present parents of pupils or as pupils in the school - or they have a knowledge of the school in some other way. Once a person has been identified as being a possible Trustee, his/her CV is circulated to all governors, the chairman and vice-chairman will meet the person concerned for a general discussion and, if everyone is happy, the person is invited to a Board Meeting and is appointed by due process.

POLICIES AND PROCEDURES IN PLACE FOR THE INDUCTION AND TRAINING OF NEW TRUSTEES

A new Trustee is given a Welcome Pack which includes copies of all the papers in the Governance File – this includes all Policies relevant to the Governing Board, Strategic Development Plan, School Development Plan, Risk Assessment Papers, School Health and Safety Policy, Child Protection Policy, all job descriptions and terms of references. A letter from the Chairman is included and, at an early stage, if he/she is not familiar with the school, the new trustee will be given a tour of the school. All governors are willing to give new Trustees any help they need. New trustees are encouraged to attend an AGBIS seminar for new trustees as soon as one is identified.

REVIEW OF DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

The school continues to flourish. There are just over 440 children on the school roll as at September 2007, an increase from 400 at the start of the academic year 2006. This allows the school to have three forms in each of the years except Reception and Years 7 and 8. (The school has never planned for three classes in these top two years.) The school's list for Nursery joiners – its main intake point – remains very healthy and the Nursery looks set to be full over the course of the academic year 2007. It is likely that there will be three Reception classes again in September 2008.

Take-up of flexi and weekly boarding continued to be high – approximately one third of all children in the top three years at the school taste boarding life, with the boarding facilities running at capacity on some nights in the week.

Trustees' Report (continued)

REVIEW OF DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS (continued)

Towards the end of the year the school's senior management took the decision to make significant upgrades to the school's kitchens and catering programme. These changes were implemented over the summer to allow a new dining system to operate from September. In a move that has been hugely popular with parents, children now choose from a range of healthy options and serve themselves from child-friendly servers.

The school has also continued with further elements of the project to improve the external areas surrounding the school and, to accommodate the growth in the number of classes in the school, a new classroom has been refurbished from a room under the sports hall.

Academically the school has a very successful year with 14 children, that is half of the Year 8 leavers, winning 18 scholarships to senior schools. The breadth of the school's curriculum is demonstrated in the wide coverage of these scholarships: academic, music, art, sports and all-rounder awards.

Other highlights of the year illustrate the wide range of activities and achievements within the school. A fine year for music at the school reached a climax with the success of our choir in the BBC's Joseph Choir Competition where the school came in the top 21 of over 840 participating schools. Musicians from the school have auditioned successfully for places in county orchestras and choirs and a violinist has been accepted at the Junior Guildhall School of Music. A performing arts week in the Summer term displayed the wealth of creative and artistic talent within the school with particularly strong exhibits from those who won art scholarships to senior schools. The main school play for the year was a sell-out - a light-hearted musical version of "A Midsummer Night's Dream" with some star performances backed by superb ensemble work. Other, form based, drama productions took place throughout the year and dance featured more strongly than in previous years both within the curriculum and as part of a series of showcase events for different age groups throughout the school. The exciting Performing Arts programme for the year made full use of the newly opened Performing Arts Centre.

The school's Year 8 public speaking team won the national finals of the Round Table award "Youth Speaks", having won through local rounds against competitors who were much older.

On the sports field, there were many individual successes - county representation at football and cricket (at U10, U11 and U12 levels), girls winning swimming medals for local clubs, and many IAPS swimming and athletics finalists. There were also impressive team performances, notably in football and rugby at junior level, Colts football and girls' U10 netball and hockey.

The school's charitable work continues, with ongoing support to the Golden Stable Charitable Trust (working in Sri Lanka in the aftermath of the Tsunami) and to an aids charity in Zambia, Isubilo (where an old boy works). Children took part in the Save the Children Fund tennis tournament and the juniors gave a concert (River Song) and hosted a tea to some 160 senior citizens.

The school's facilities are hired out regularly to local groups, clubs and churches at favourable rates and bookings have increased. For example, 11 local cricket teams use the Sports Hall nets for winter practice each year and hire pitches in the summer. Other Sports Hall users include local football, badminton and stool ball teams. Every Saturday, Lindfield Junior Football Club takes over the sports pitches and on Sundays their girls' teams play matches at the school. Haywards Heath Operatic Society and Lindfield Dramatic Club have both rehearsed productions in the Performing Arts Centre and, from September, the Ardingly College Choral Society will rehearse weekly in the chapel. There are regular bookings for weddings at the school and parties in the Sports Hall. Our links with the community have thereby strengthened over the year.

The reputation of the school continues to be high and there are firm foundations in place for its future success and development.

GREAT WALSTEAD LIMITED

Trustees' Report (continued)

FINANCIAL POSITION

The Statement of Financial Activities on page 8 shows total net incoming resources of £102,184 (2006 - £120,270)

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 £5,295,871 (2006 - £5,193,687)

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

The reserves policy has been reviewed by the trustees during the year

The trustees are aware that the school has negative reserves. For Charity Commission purposes the reserves are defined as unrestricted general funds less unrestricted fixed assets

The trustees are of the opinion that negative reserves do not prejudice the effective financial management of the school for the following reasons

- i) The school has agreed long-term overdraft facilities with the bank,
- ii) Significant deferred income is included in creditors (this arises from the payment of fees and deposits in advance),
- iii) The school has significant fixed assets which would enable further funds to be raised should the situation demand it

Accordingly the policy of the trustees is for the school to always maintain the level of reserves, as defined by the Charity Commission, in the light of the value of the freehold estate and the operating margins, so as to ensure that appropriate capital investment may be undertaken and debts paid as they fall due

THE SCHOOL'S FUTURE PLANS AND KEY OBJECTIVES

As has already been identified in the Trustees' Report, a Performing Arts Centre has recently been built. It is intended to finish funding this project before embarking on any new major projects. However, there is a Strategic Development Plan that is reviewed annually. The Board has appointed an inspecting architect to provide a professional survey of all the school buildings with the intention of implementing a planned maintenance programme

GREAT WALSTEAD LIMITED

Trustees' Report (continued)

TRUSTEES

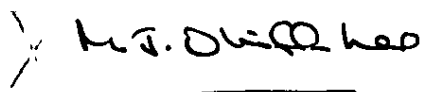
The trustees set out below have held office during the whole of the period from 1 September 2006 to the date of this report, unless otherwise stated. The guarantees given by the trustees holding office on 31 August 2007 were as shown below.

Trustee's name	31 August 2007	1 September 2006
	£	£
M J Olliff-Lee (Chair)	1	1
Mrs S E Crichton	1	1
T J Ebdon	1	1
Mrs M E Ireland	1	1
Mrs J Lee	1	1
S J Mayes	1	1
Professor A J Nunn	1	1
R G Plumb	1	1
Canon G T Rideout	1	1
Mrs B E Sewell	1	1
P M Wells	1	1

AUDITORS

A resolution to re-appoint Mazars LLP as auditors will be proposed at the forthcoming annual general meeting.

Approved by the board on 24th November 2007.
and signed on its behalf by



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 2007 which comprise the Statement of Financial Activities, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of Great Walstead Limited for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

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 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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 the charitable company's affairs as at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

Mazars LLP

Mazars LLP

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

17 December 2007

GREAT WALSTEAD LIMITED

Statement of Financial Activities For the Year Ended 31 August 2007

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
INCOME AND EXPENDITURE					
Incoming resources					
Donations and similar incoming resources		18,395	-	18,395	17,889
Activities for generating funds					
Rental income		51,617	-	51,617	50,465
Clothing sales		35,148	-	35,148	34,138
Activities in furtherance of charity's objectives					
Fees		3,054,279	-	3,054,279	2,861,863
Disbursements and other income	3	234,866	1,206	236,072	223,014
Investment income		3,910	-	3,910	6,821
Total incoming resources		<u>£3,398,215</u>	<u>£1,206</u>	<u>£3,399,421</u>	<u>£3,194,190</u>
Resources expended					
Cost of generating funds	4	77,182	-	77,182	80,642
Charitable activities	5	3,201,214	1,206	3,202,420	2,977,677
Governance costs	6	17,635	-	17,635	15,601
Total resources expended		<u>£3,296,031</u>	<u>£1,206</u>	<u>£3,297,237</u>	<u>£3,073,920</u>
Net incoming resources		102,184	-	102,184	120,270
Fund balances brought forward at 1 September 2006		<u>5,193,487</u>	<u>200</u>	<u>5,193,687</u>	<u>5,073,417</u>
Fund balance carried forward at 31 August 2007	16	<u>£5,295,671</u>	<u>£200</u>	<u>£5,295,871</u>	<u>£5,193,687</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

**Statement of Total Recognised Gains and Losses
For the Year Ended 31 August 2007**

	2007 £	2006 £
Net incoming resources	<u>102,184</u>	<u>120,270</u>
Total recognised gains and losses relating to the year	102,184	120,270
Prior year adjustment	<u>-</u>	<u>(21,400)</u>
Total recognised gains and losses since last financial statements	<u><u>£102,184</u></u>	<u><u>£ 98,870</u></u>

GREAT WALSTEAD LIMITED

Balance Sheet at 31 August 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	11	6,169,946	5,979,864
Investments - group undertakings	12	1	1
		<u>6,169,947</u>	<u>5,979,865</u>
CURRENT ASSETS			
Stocks		49,443	41,545
Debtors	13	92,293	80,561
Cash at bank and in hand		486	524
		<u>142,222</u>	<u>122,630</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(573,494)</u>	<u>(398,817)</u>
NET CURRENT LIABILITIES		<u>(431,272)</u>	<u>(276,187)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,738,675	5,703,678
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>(442,804)</u>	<u>(509,991)</u>
NET ASSETS		<u><u>£5,295,871</u></u>	<u><u>£5,193,687</u></u>
ACCUMULATED FUNDS			
Unrestricted funds	16	3,003,879	2,901,573
Revaluation fund	16	2,291,792	2,291,914
Restricted funds	16	200	200
TOTAL FUNDS	16	<u><u>£5,295,871</u></u>	<u><u>£5,193,687</u></u>

Approved by the trustees on 24th November 2007, and signed on their behalf by

M J Olliff-Lee

M J Olliff-Lee - Trustee

GREAT WALSTEAD LIMITED

**Cash Flow Statement
For the Year Ended 31 August 2007**

		2007	2006
		£	£
	Notes		
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	354,321	172,279
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		3,910	6,821
Interest paid		-	-
		<u>3,910</u>	<u>6,821</u>
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(277,082)	(677,147)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>£ 81,149</u>	<u>£(498,047)</u>
RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT			
Increase/(decrease) in cash in the year		81,149	(498,047)
Change in net debt resulting from cashflow		<u>-</u>	<u>-</u>
Movement in net debt in the year		81,149	(498,047)
Net debt at 1 September 2006		<u>(428,117)</u>	<u>69,930</u>
Net debt at 31 August 2007	20	<u>£(346,968)</u>	<u>£(428,117)</u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

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 2007**

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) Resources expended

Resources expended are accounted for on an accruals basis. These are allocated between categories of expenditure on an individual invoice basis

All charitable expenditure in furtherance of the charity's objectives relate to the provisions of educational services

Cost of raising funds includes costs directly attributable to raising income for the provision of the charity's objectives

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

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 UK based activities.

3 OTHER INCOME

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Disbursements	153,959	-	153,959	137,492
House parties	6,892	-	6,892	5,511
Pupil insurance	8,968	-	8,968	8,403
Reg fees and forfeited deposits	8,067	-	8,067	8,950
Temporary boarding	8,250	-	8,250	9,718
Other income	48,730	1,206	49,936	52,940
	<u>£234,866</u>	<u>£1,206</u>	<u>£236,072</u>	<u>£223,014</u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

4 COSTS OF GENERATING FUNDS

	2007	2006
	£	£
Advertising	36,090	39,745
Clothing sales	20,505	19,439
Support costs	20,587	21,458
	<u>£77,182</u>	<u>£80,642</u>

5 CHARITABLE ACTIVITIES

	2007	2006
	£	£
Teaching salaries	1,522,329	1,420,623
Pensions	161,623	143,330
Other staff costs	6,087	-
School books and stationery	58,150	56,312
Catering	155,004	142,351
Games/Sport	74,228	68,043
Other educational	37,063	33,969
Transport	23,893	22,983
Magazine	144	2,463
Pupil insurance	12,450	9,320
Staff training	13,721	9,794
Rates	39,393	27,055
Light and heat	85,807	84,050
Repairs and renewals	84,055	96,290
Insurance	36,854	35,238
Cleaning	23,974	20,786
Equipment hire	4,990	5,259
Bad debts	8,434	7,500
Support cost	854,221	792,311
	<u>£3,202,420</u>	<u>£2,977,677</u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

6 GOVERNANCE COSTS

	2007	2006
	£	£
Audit	12,931	11,450
Support costs	4,704	4,151
	<u>£17,635</u>	<u>£15,601</u>

7 ANALYSIS OF SUPPORT COSTS

	Charitable activities £	Costs of generating funds £	Governance £	Total 2007 £
Administration salaries	216,976	5,229	1,195	223,400
Ancillary salaries	413,119	9,957	2,275	425,351
Pensions (administration and ancillary)	8,061	195	44	8,300
Office expenses	35,704	860	197	36,761
Legal	49,473	1,192	272	50,937
Sundry administration	40,927	987	225	42,139
Bank charges	5,462	132	30	5,624
Depreciation	84,499	2,035	466	87,000
	<u>£854,221</u>	<u>£20,587</u>	<u>£4,704</u>	<u>£879,512</u>

Support costs have been allocated over cost of generating funds, charitable activities and governance according to their respective percentages of total costs

GREAT WALSTEAD LIMITED

**Notes to the Financial Statements
For the Year Ended 31 August 2007**

8 NET INCOMING RESOURCES FOR THE YEAR

	2007	2006
	£	£
Net incoming resources for the year are stated after charging		
Provision for bad debts and debts written off	8,434	7,500
Depreciation of owned tangible fixed assets	87,000	83,800
Auditor's remuneration - audit	12,931	11,450
Staff costs	2,347,090	2,198,077
Amounts payable under operating leases	13,159	18,503
	<u> </u>	<u> </u>

9 STAFF COSTS

	2007	2006
	£	£
Staff costs		
Wages and salaries	2,027,759	1,905,894
Social security costs	143,321	138,500
Other pension costs	169,923	153,683
Other staff costs	6,087	-
	<u> </u>	<u> </u>
	<u>£2,347,090</u>	<u>£2,198,077</u>

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

	2007	2006
Educational services	51	51
Support services	37	32
	—	—
	88	83
	<u> </u>	<u> </u>

The number of employees receiving emoluments in the following band were

	2007	2006
£50,000 to £60,000	2	1
	<u> </u>	<u> </u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

10 TRUSTEES

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

Expenses reimbursed to three trustees in relation to travel amounted to £332 (2006 - £257) During the year, some trustees attended conferences and seminars organised by the Incorporated Association of Preparatory Schools The total cost was £140 (2006 - £120)

One trustee was reimbursed £nil (2006 - £30) for a membership fee for the Association of Governing Bodies of Independent Schools

One trustee was reimbursed £nil (2006 - £1,092) for expenses incurred visiting the short-listed applicants for the new headmaster

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

11 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant fixtures, fittings and equipment £	Transport and equipment £	Total £
COST OR VALUATION				
At 1 September 2006	5,566,405	1,220,467	6,236	6,793,108
Additions	97,731	179,351	-	277,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2007	<u>£5,664,136</u>	<u>£1,399,818</u>	<u>£6,236</u>	<u>£7,070,190</u>
Cost	2,449,423	1,069,732	6,236	3,525,391
Valuation 1981	2,500,000	-	-	2,500,000
1987	-	89,571	-	89,571
Additions since	714,713	240,515	-	955,228
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>£5,664,136</u>	<u>£1,399,818</u>	<u>£6,236</u>	<u>£7,070,190</u>
ACCUMULATED DEPRECIATION				
At 1 September 2006	-	807,008	6,236	813,244
Charge for the year	-	87,000	-	87,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2007	<u>-</u>	<u>£894,008</u>	<u>£6,236</u>	<u>£900,244</u>
NET BOOK VALUE				
At 31 August 2007	<u>£5,664,136</u>	<u>£505,810</u>	<u>-</u>	<u>£6,169,946</u>
At 31 August 2006	<u>£5,566,405</u>	<u>£413,459</u>	<u>-</u>	<u>£5,979,864</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 2007 represents fixed assets used for charitable purposes.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

12 FIXED ASSET INVESTMENT – WALSTEAD ESTATES LIMITED

	2007 £	2006 £
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. Great Walstead Limited has carried on all of Walstead Estates Limited's business activities since 1 April 1997.

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

13 DEBTORS

	2007 £	2006 £
DUE WITHIN ONE YEAR		
Trade debtors	30,473	26,822
Prepayments and other debtors	61,820	53,739
	<u>£92,293</u>	<u>£80,561</u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	134,881	88,157
Other creditors	17,572	18,497
Pension costs	21,879	19,629
Taxation and social security	40,582	40,772
Accruals	184,547	84,732
Deferred income	174,033	147,030
	<u>£573,494</u>	<u>£398,817</u>

Deferred income represents 30.3% of the total creditors falling due within one year. The reserves policy outlined in the Trustees' Report on page 5 provides a context for the reader.

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Bank overdraft	347,454	428,641
Parents' deposits	95,350	81,350
	<u>£442,804</u>	<u>£509,991</u>

The bank overdraft is secured by means of a fixed charge on the freehold land at Great Walstead.

Overdraft facilities are renewed for a rolling 2 year period. The use of the facility has been included under this heading because the trustees do not envisage that the circumstances requiring payment on demand will arise.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

16 RESERVES

	Revaluation reserve £	Revenue reserve £	Wilmot fund £	Premises fund £	Total £
At 31 August 2006	2,291,914	2,841,573	200	60,000	5,193,687
Surplus for the year	-	102,184	-	-	102,184
Transfer of depreciation on revalued assets	(122)	122	-	-	-
Transfer between funds	-	(20,000)	-	20,000	-
At 31 August 2007	<u>£2,291,792</u>	<u>£2,923,879</u>	<u>£200</u>	<u>£80,000</u>	<u>£5,295,871</u>

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

The premises fund is a designated fund which has been set up to pay for any unforeseen events which may affect the operation of the school premises

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	6,169,947	-	6,169,947
Current assets	142,022	200	142,222
Current liabilities	(573,494)	-	(573,494)
Creditors due after more than one year	(442,804)	-	(442,804)
	<u>£5,295,671</u>	<u>£200</u>	<u>£5,295,871</u>

18 CAPITAL COMMITMENTS

There are no capital commitments as at 31 August 2007 All capital additions invoiced post year end have been accrued for

GREAT WALSTEAD LIMITED

**Notes to the Financial Statements
For the Year Ended 31 August 2007**

19 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH INFLOW

	2007	2006
	£	£
Net incoming resources	102,184	120,270
Depreciation	87,000	83,800
Profit on disposal of fixed asset	-	(999)
Interest received	(3,910)	(6,821)
Interest payable	-	-
Change in stock	(7,898)	(5,328)
Change in debtors	(11,732)	(9,678)
Change in creditors	188,677	(8,965)
	<u>£354,321</u>	<u>£172,279</u>

20 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2006 £	Cash flows £	At 31 August 2007 £
Cash at bank and in hand	524	(38)	486
Overdraft	(428,641)	81,187	(347,454)
	<u>£(428,117)</u>	<u>£81,149</u>	<u>£(346,968)</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2007**

21 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.

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.

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 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Market value of assets at date of last valuation	£163,240m
Proportion of members' accrued benefits covered by the actuarial value of the assets	98%

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, and further increased to 14.1% from 1 January 2007. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

The total pension cost for the institution was:

	Year ended 31 August 2007 £	Year ended 31 August 2006 £
Contributions to TPS	151,105	143,330
Contributions to individual personal pensions	18,818	10,353
Total pension cost	£169,923	£153,683

The company has a separate commitment of approximately £nil (2006 - £2,384) per annum in respect of a retired member of staff.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2007

21 PENSION COMMITMENTS (continued)

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 2007, costs in respect of post retirement benefits amounting to £21,879 (2006 - £19,629) was payable by the company and included in creditors

22 OTHER FINANCIAL COMMITMENTS

At 31 August 2007 the company was committed to making the following payment under non-cancellable operating leases in the year to 31 August 2008

	2007	Equipment	2006
	£		£
Operating leases which expire			
Within 1 year	2,695		-
Within 2 to 5 years	8,770		13,159
	<u>£11,465</u>		<u>£13,159</u>