

Financial Statements - 31 August 2004

Company no: 751662

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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
Mrs J Lee
S J Mayes
A D G Wallace

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 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

Trustees' Report

The trustees present their report and the financial statements for the year ended 31 August 2004.

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

The risk assessment was reviewed during the year 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)

REVIEW OF DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

The school continues to thrive. Over 440 children are on the school roll as at September 2004, a number that is expected to rise to over 470 by the end of the academic year. We continue to sustain three forms in each of the years up to Year 5 and there are healthy lists for future places in the Nursery – the school's main intake point. Great Walstead is one of the larger Prep schools in the South East.

Weekly/flexible boarding remains popular with over 30 children taking up regular places in September 2004 for one or more nights per week.

The school maintains a substantial programme of updating and maintenance of its fabric and grounds. A highlight this year has been the completion of a major project on the swimming pool. The pool and pool area have been completely renovated and a retractable cover (and associated heating and changing arrangements) has been installed. This means that the pool has now become an all-year round facility. The main entrance to the school has been redesigned to provide both safer and more visible access and work has continued to improve the pathways around the site. The upgrades to the changing rooms and toilets have nearly been completed and re-decoration of the Pre-Prep is in hand. New lighting has been installed in the Chapel (assisted by gifts from the parents' organisation) to improve lighting for drama.

Investment in ICT continues. There are now interactive whiteboards in all the classrooms from Year 3 upwards and a video-projector facility has been provided for the Chapel. The older of the school's two computer rooms has been completely re-equipped with 21 new computers with flat screens and an interactive whiteboard and projector. The room is part of the Great Walstead network. Each child can now log-on from most computers in the school and access their own personal folders and also have access to resources placed by teachers in a shared folder.

Academically too the school has had a very successful year with 18 children leaving the school in July 2004 with 21 scholarships and awards to senior schools – more than half the top year. The breadth of our teaching is represented by the spread of scholarships which, as well as straightforward academic awards, covered IT, Drama, Sports, Science, Art, Music and all-round achievement.

The year has been busy and successful in many other spheres. The music life of the school goes from strength to strength with more children than ever taking individual music lessons and passing exams (which for the first time have had to take place over two days, such has been the demand). Drama and music came together for our school production, a musical rendering of "Twelfth Night" which played over two evenings to packed audiences. Many parents also enjoyed the visual and musical spectacle of the Performing Arts week in the Summer term when the school's Atrium was turned into an art gallery and the Chapel into a concert hall. On the sports field too, standards remain very high with team successes in particular at Colts level in both football and cricket and girls' hockey. 12 boys and girls qualified for the national prep schools athletics finals and the school has representation at county level in both cricket and football.

The school supports a number of charities and continues to strengthen its links with the community. We have increased our support, via an old boy of the school, for an Aids charity for orphaned children in Zambia, raising significant sums of money to send there as well as providing nappies, black shoes and used clothes. The children here have also contributed to an international shoe box appeal. The school visits local old people's homes for carol singing and in the Spring hosted over 160 senior citizens to a "Wild West Show" followed by tea - a well established event in the school and the community's calendars. The school's facilities are hired out regularly to local groups, clubs and churches.

The school continues to maintain its high profile within the area and has a reputation for the quality and breadth of the education it offers children. Great Walstead School has every reason to look forward confidently.

Trustees' Report (continued)

FINANCIAL POSITION

The Statement of Financial Activities on page 7 shows total net incoming resources of £278,802 (2003 - £162,773).

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 £4,807,412 (2003 - £4,528,610).

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.

TRUSTEES

The trustees set out below have held office during the whole of the period from 1 September 2003 to the date of this report, unless otherwise stated. The guarantees given by the trustees holding office on 31 August 2004 were as shown below:

Trustee's name	31 August 2004	1 September 2003
	£	£
F R D Chartres	1	1
Mrs S E Crichton	1	1
Mrs M E Ireland	1	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 (resigned 12 June 2004)	-	1
Mrs J Lee (elected 27 September 2003)	1	-
S J Mayes (elected 6 March 2004)	1	-
A D G Wallace (elected 6 March 2004)	1	-

GREAT WALSTEAD LIMITED

Trustees' Report (continued)

AUDITORS

On 31 August 2004 Mazars LLP succeeded Mazars as the independent auditor to the company. A resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the board on 27th NOVEMBER 2004
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 2004 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 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 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 2004 and of its net incoming resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars LLP

Mazars LLP

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

21 Nov 2004

GREAT WALSTEAD LIMITED

Statement of Financial Activities For the Year Ended 31 August 2004

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2004 £	Total funds 2003 £
INCOME AND EXPENDITURE					
Incoming resources					
Donations and similar incoming resources		17,650	-	17,650	9,651
Activities in furtherance of charity's objectives:					
Fees		2,833,701	-	2,833,701	2,505,722
Disbursements and other income	3	202,035	6,818	208,853	200,025
Activities for generating funds:					
Rental income		42,678	-	42,678	42,700
Clothing sales		43,295	-	43,295	34,066
Investment income		4,285	-	4,285	5,505
Total incoming resources		<u>£3,143,644</u>	<u>£6,818</u>	<u>£3,150,462</u>	<u>£2,797,669</u>
Resources expended					
Cost of generating funds:					
Advertising		29,418	-	29,418	23,894
Cost of clothing		25,413	-	25,413	22,911
Charitable expenditure					
Costs in furtherance of charity's objects:					
Provision of education		1,946,883	-	1,946,883	1,719,930
Premises		206,355	8,614	214,969	225,357
Support costs	5	631,230	-	631,230	613,366
Management and administration	6	23,747	-	23,747	29,438
Total resources expended	7	<u>£2,863,046</u>	<u>£8,614</u>	<u>£2,871,660</u>	<u>£2,634,896</u>
Net incoming resources		280,598	(1,796)	278,802	162,773
Fund balances brought forward at 1 September 2003		<u>4,525,509</u>	<u>3,101</u>	<u>4,528,610</u>	<u>4,365,837</u>
Fund balance carried forward at 31 August 2004	16	<u>£4,806,107</u>	<u>£1,305</u>	<u>£4,807,412</u>	<u>£4,528,610</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 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	11	5,226,707	4,943,414
Investments - group undertakings	12	1	1
		<u>5,226,708</u>	<u>4,943,415</u>
CURRENT ASSETS			
Stocks		39,981	42,443
Debtors	13	41,351	54,144
Cash at bank and in hand		563	906
		<u>81,895</u>	<u>97,493</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(224,184)</u>	<u>(228,564)</u>
NET CURRENT LIABILITIES		<u>(142,289)</u>	<u>(131,071)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,094,419	4,812,344
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>(277,007)</u>	<u>(283,734)</u>
NET ASSETS		<u><u>£4,807,412</u></u>	<u><u>£4,528,610</u></u>
ACCUMULATED FUNDS			
Unrestricted funds	16	4,806,107	4,525,509
Restricted funds	16	1,305	3,101
TOTAL FUNDS	16	<u><u>£4,807,412</u></u>	<u><u>£4,528,610</u></u>

Approved by the trustees on 27 November 2004, 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 2004**

		£	2004 £	£	2003 £
	Notes				
NET CASH INFLOW FROM OPERATING ACTIVITIES	18		466,197		303,689
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		4,285		5,505	
Interest paid		(3,310)		(8,513)	
			975		(3,008)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets			(374,173)		(316,285)
NET CASH OUTFLOW BEFORE FINANCING			92,999		(15,604)
FINANCING					
Repayment of long term bank loan		-		(129,431)	
			-		(129,431)
DECREASE IN CASH IN THE YEAR			£92,999		£(145,035)
RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT					
Increase (decrease) in cash in the period		92,999		(145,035)	
Change in net debt resulting from cashflow		(81,335)		129,431	
Movement in net debt in the year			11,664		(15,604)
Net debt at 1 September 2003			(218,978)		(199,374)
Net debt at 31 August 2004	19		£(207,314)		£(214,978)

**Notes to the Financial Statements
For the Year Ended 31 August 2004**

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 2004**

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.

**Notes to the Financial Statements
For the Year Ended 31 August 2004**

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 2004	Total 2003
	£	£	£	£
Disbursements	113,952	-	113,952	114,272
House parties	5,546	-	5,546	4,714
Pupil insurance	8,923	-	8,923	8,625
Other income	73,614	6,818	80,432	72,414
	<u>£202,035</u>	<u>£6,818</u>	<u>£208,853</u>	<u>£200,025</u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2004

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 Estates Limited's business activities since 1 April 1997.

5 SUPPORT COSTS

	2004	2003
	£	£
Wages and salaries	482,391	482,286
Pensions	7,355	4,723
Depreciation	90,880	78,650
Office expenses	21,055	36,154
Legal and professional	7,566	1,384
Sundry	21,259	16,437
Bad debts	724	(6,268)
	<u>£631,230</u>	<u>£613,366</u>

6 MANAGEMENT AND ADMINISTRATION

	2004	2003
	£	£
Wages and salaries	4,800	4,443
Pensions	613	408
Audit and accountancy fees	11,491	13,430
Bank charges and interest	3,310	8,513
Trustees' expenses	1,033	560
Clerk to governors' expenses	2,500	2,084
	<u>£23,747</u>	<u>£29,438</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2004**

9 STAFF COSTS

	2004	2003
	£	£
Staff costs:		
Wages and salaries	1,810,293	1,667,609
Social security costs	132,652	113,762
Other pension costs	143,524	106,517
	<u>£2,086,469</u>	<u>£1,887,888</u>

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

	2004	2003
Educational services	51	50
Support services	31	30
	—	—
	82	80
	=	=

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

	2004	2003
£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 £293 (2003 - £195). During the year, some trustees attended conferences and seminars organised by the Governing Bodies Association. The total cost was £700 (2003 - £365).

One trustee was reimbursed £40 (2003 - £nil) for the cost of transferring data held on a personal computer on to the school's system.

Notes to the Financial Statements
For the Year Ended 31 August 2004

11 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant fixtures, fittings and equipment £	Transport and equipment £	Total £
COST OR VALUATION				
At 1 September 2003	4,532,962	949,680	6,236	5,488,878
Additions	223,277	150,941	-	374,218
Disposal	-	(45)	-	(45)
	<u>£4,756,239</u>	<u>£1,100,576</u>	<u>£6,236</u>	<u>£5,863,051</u>
Cost:	2,256,239	1,011,005	6,236	3,273,480
Valuation: 1981	2,500,000	-	-	2,500,000
1987	-	89,571	-	89,571
	<u>£4,756,239</u>	<u>£1,100,576</u>	<u>£6,236</u>	<u>£5,863,051</u>
ACCUMULATED DEPRECIATION				
At 1 September 2003	-	539,228	6,236	545,464
Charge for the year	-	90,925	-	90,925
Eliminated on disposal	-	(45)	-	(45)
	<u>-</u>	<u>£630,108</u>	<u>£6,236</u>	<u>£636,344</u>
At 31 August 2004	-	£630,108	£6,236	£636,344
NET BOOK VALUES				
At 31 August 2004	<u>£4,756,239</u>	<u>£470,468</u>	<u>-</u>	<u>£5,226,707</u>
At 31 August 2003	<u>£4,532,962</u>	<u>£410,452</u>	<u>-</u>	<u>£4,943,414</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 2004 represents fixed assets used for charitable purposes.

**Notes to the Financial Statements
For the Year Ended 31 August 2004**

12 FIXED ASSET INVESTMENT – WALSTEAD ESTATES LIMITED

	2004	2003
	£	£
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

	2004	2003
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	15,020	31,567
Prepayments and other debtors	26,331	22,577
	<u>£41,351</u>	<u>£54,144</u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2004

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank loan and overdraft	2,870	-
Trade creditors	65,131	85,335
Other creditors	16,188	6,003
Pension costs	16,260	19,670
Taxation and social security	38,446	37,133
Accruals	26,192	16,248
Deferred income	59,097	64,175
	<u>£214,184</u>	<u>£228,564</u>

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Bank overdraft	205,007	215,884
Parents' deposits	72,000	67,850
	<u>£277,007</u>	<u>£283,734</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.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 August 2004

16 RESERVES

	Revaluation reserve £	Revenue reserve £	Appeal fund £	Wilmot fund £	Woodland maintenance fund £	Premises fund £	Total £
At 31 August 2003	2,292,493	2,233,016	879	200	2,022	-	4,528,610
Surplus for the year	-	280,598	(879)	-	(917)	-	278,802
Transfer of depreciation on revalued assets	(237)	237	-	-	-	-	-
Transfer between funds	-	(20,000)	-	-	-	20,000	-
At 31 August 2004	<u>£2,292,256</u>	<u>£2,493,851</u>	<u>-</u>	<u>£200</u>	<u>£1,105</u>	<u>£20,000</u>	<u>£4,807,412</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.

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	5,226,708	-	5,226,708
Current assets	80,590	1,305	81,895
Current liabilities	(224,184)	-	(224,184)
Creditors due after more than one year	(277,007)	-	(277,007)
	<u>£4,806,107</u>	<u>£1,305</u>	<u>£4,807,412</u>

Notes to the Financial Statements
For the Year Ended 31 August 2004

18 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH INFLOW

	2004 £	2003 £
Net incoming resources	278,794	162,773
Depreciation	90,880	78,650
Interest received	(4,285)	(5,505)
Interest payable	3,310	8,513
Change in stock	2,462	(10,393)
Change in debtors	12,793	6,088
Change in creditors	82,243	63,563
	<u>£466,197</u>	<u>£303,689</u>

19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2003 £	Cash flows £	At 31 August 2004 £
Cash at bank and in hand	906	(343)	563
Overdraft	(215,884)	8,007	(207,877)
	<u>(214,978)</u>	<u>7,664</u>	<u>(207,314)</u>
Debt due within one year	-	-	-
Debt due after one year	-	-	-
	<u>£(214,978)</u>	<u>£7,664</u>	<u>£(207,314)</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2004**

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 (2003 - £2,205) per annum in respect of a retired member of staff.

The total pension cost for the institution was:

	Year ended 31 August 2004	Year ended 31 August 2003
	£	£
Contributions to TPS	135,912	94,417
Contributions to individual personal pensions	7,612	12,100
	<hr/>	<hr/>
Total pension cost	£143,524	£106,517
	<hr/>	<hr/>

Notes to the Financial Statements
For the Year Ended 31 August 2004

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 2004, costs in respect of post retirement benefits amounting to £16,260 (2003 - £19,670) were payable by the company and included in creditors.

21 OTHER FINANCIAL COMMITMENTS

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

	Equipment	
	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	-	-
Within 2 to 5 years	15,832	15,832
	<u>15,832</u>	<u>15,832</u>
	<u>£15,832</u>	<u>£15,832</u>