

Company Number: 818389

Charity Number: 312010

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002



HORWATH
CLARK WHITEHILL
Chartered Accountants

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YEHUDI MENUHIN SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATUS AND ADMINISTRATION
31 AUGUST 2002

The Yehudi Menuhin School Limited, a company limited by guarantee (company number 818389) and a registered charity, was founded in 1963. The registered charity number is 312010. The liability of Members in the event of the Company being wound up is limited to a sum not exceeding £1 each.

Office	Millfield Stoke D'Abernon Cobham Surrey KT11 3QQ
Patron	Her Royal Highness The Duchess of Kent GCVO
President	Mstislav Rostropovitch Hon KBE
Vice Presidents	Elizabeth, Duchess of Hamilton & Brandon OBE, DL The Lord Rayne Sir Ian Hunter MBE Mr A N Hollis OBE, DFC

DIRECTORS

The Directors of the Company who are also the charity Trustees and the Governors of the School and who served during the year are:

- * Mrs Barbara R D Fisher OBE (Chairman) (retired 29 November 2001)
- * Mr John Chadwick (appointed Chairman 29 November 2001)
- * Sir John Burgh, KCMG, CB (Vice Chairman)
Mr Noël Annesley
Sir Peter Beale, KBE
- * The Hon. Mrs Zamira Menuhin Benthall
- * Mr Stephen J Cockburn (retired 27 June 2002)
- * Mr Daniel Hodson
The Lord Moser KCB, CBE, FBA
- * Mr Adam Ridley
Mr Mark Sheldon CBE
Mrs Anne Simor
Mr Graham Smallbone
Mr Ronald A Smith
Sir Alan Traill GBE

- * Members of the Executive and Finance Committee.

The Governors are elected at the Annual General Meeting. One third of the Governors retire at each Annual General Meeting and may be re-elected.

YEHUDI MENUHIN SCHOOL LIMITED
PROFESSIONAL ADVISERS AND KEY PERSONNEL
31 AUGUST 2002

Headmaster:	Nicolas Chisholm MA (CANTAB)	
Director of Music:	Malcolm Singer MA (CANTAB)	
Bursar:	Mrs Elaine R Balmer	
Auditors:	Horwath Clark Whitehill 25 New Street Square London EC4A 3LN	
Bankers:	Barclays Bank plc Walton and Staines Business Centre PO Box No.193 8/12 Church Street Walton on Thames Surrey KT12 2YW	
Insurance Brokers:	Holmwoods Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU	
Investment Managers:	Gerrard The Registry Royal Mint Court London EC2N 4EY	Barclays Stockbrokers Tay House 300 Bath Street Glasgow G2 4JQ
Solicitors:	Wilkinsons 3 Bridge Street Leatherhead Surrey Veale Wasborough Orchard Court Orchard Lane Bristol BF1 5DS	Linklaters One Silk Street London EC2Y 8HQ

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

The Directors of the Company who are also the Governors of the School and charity Trustees have pleasure in presenting their report and financial statements for the year ended 31 August 2002.

REGISTERED CHARITY

The School is registered as a charity under registration number 312010, and as a company limited by guarantee, registration number 818389.

OBJECT

To provide a School in the United Kingdom where children from any part of the world with talents for music may obtain a musical and general education of the highest order.

GOVERNANCE

Responsibility for the overall management and organisation of the School rests with the Governors, who meet on a termly basis. They are supported in carrying out their responsibilities by the Executive and Finance Committee which meets a few weeks before each of the termly meetings of the Governors.

The task of running the School on a day to day basis is delegated to the Headmaster and his Senior Management Team.

REVIEW OF ACTIVITIES, ACHIEVEMENTS AND DEVELOPMENTS

The Governors are pleased to report that pupil numbers averaged 60 during the year to 31 August 2002. 48 pupils including four 3rd year Sixth Form pupils with U.K. resident status were supported through the Music & Ballet Scheme by the Department for Education & Skills. Pupils not eligible for the Scheme and whose parents cannot find a source for the fees have been supported through the School's bursary scheme, so that the School is accessible to talented children who wish to benefit from the specialised education whatever their family circumstances. The School's bursary funds produce investment income of approximately £24,700 and this, together with income from legacies and generous gifts from individuals, charitable trusts and fundraising events, enables the school to offer places to a number of young people each year.

Academic results have again been most satisfactory, with pupils achieving excellent results at GCSE, AS and A Level. All the pupils who left the school in July 2002 gained scholarships to the music conservatoires of their choice. The pupils have continued to take part in many concerts including the Spitalfields Festival and the first Spirit of Youth in Music Festival in Rochdale for the pupils of the specialist music schools. A party of young pupils were invited to perform in the Mozart Festival in Istanbul where they met with great acclaim. Pupils have won first prizes in major competitions, including the LSO Scholarship Competition, Guardian/BBC Proms Young Composer of the Year, Carlton TV's Britain's Brilliant Prodigy of 2002 and awards in events such as the 1st Madeira Violin Competition. During the summer holidays, the School orchestra recorded a CD of the music that they performed at the Thwarted Voices Festival at the Queen Elizabeth Hall in November 2001.

The pupils are fortunate that Mstislav Rostropovitch, the School's President, has been able to give them masterclasses when he visits England. He has been a constant and inspiring support to the pupils. Other visiting teachers have included Andras Schiff, Murray Perahia, Zvi Zeitlin, Simone Fontanelli, Yossi Zivoni, Colin Carr, Paul Ellison and Jeremy Menuhin.

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

REVIEW OF ACTIVITIES (CONTINUED)

The School is continuing its outreach programme through Jack-in-the-Music-Box classes which introduce young children to music, the Young Strings scheme which provides after school violin tuition for local children and Menuhin's Children which provides free violin lessons for under-privileged children in Guildford. This year the pianists went to work and performed in deprived areas of Bristol for the Bristol Schools' Music Service. A fourth concert in the series held at the Dorking Halls for children from all over Surrey again attracted an enthusiastic audience. The School also works with the Surrey Youth Music and Performing Arts team who organise music workshops given by younger pupils of the School in local Primary Schools. Holiday courses continue to be held at the School by *MusicHouse* and the Bass Club.

Work continues on the project to build a concert hall to give the pupils the experience of performing in a larger space before outside concerts. It will also be a rehearsal room for the orchestra, and enable concerts to be given for local audiences. More teaching spaces will be provided in its green rooms and foyer. The original design is being revised to produce a more compact and economically viable building.

Founder's Day was celebrated on 22nd April. Professor Denis Stevens spoke on Lost Traditions in Music and Andrew Motion, the Poet Laureate, read his poems which he wrote to accompany Haydn's string quartet cycle The Seven Words of Jesus Christ, with performances of the music by string quartets of pupils from the school.

The Governors and staff are committed to realising Lord Menuhin's aim that pupils will leave the school not only as dedicated and excellent musicians who will use their music to inspire and enrich the lives of others, but also as friendly, thinking individuals well equipped to contribute fully to the international community.

Fundraising is continuing for the New Building Project and for Bursary funds. The Governors have set up "The US Friends of the Yehudi Menuhin School Inc" with its clearance to accept charitable donations in the USA.

FINANCIAL RESULTS

The School's results indicate a satisfactory position for the year. The free reserves of the School, calculated as unrestricted funds less designated funds and tangible fixed assets, amount to £389,560.

Total balance sheet reserves of £6,015,411 are in part represented by restricted and endowed funds totalling £1,709,266 which are held for specific purposes as detailed in notes 10a and 10b to the financial statements. The remaining funds carried forward are unrestricted funds of which £428,572 have been designated for specific purposes by the Governors and £3,488,013 represent tangible fixed assets as detailed in note 10c.

RESERVES POLICY

As set out in notes 10 and 11 to the financial statements, the reserves are split between those available for the day to day requirements of the School, which are described by the Charity Commission as the free reserves and those restricted or designated for specific purposes or used in providing the school buildings and other tangible fixed assets. Most of the Endowment Funds are represented by specific investments and the remainder is in bank balances. Designated Funds, to the extent that they are not represented by expenditure on new School buildings, are detailed in note 10c.

The Governors regularly review the level and nature of the reserve funds of the School. The current free reserves are £389,560 which represents 13 weeks expenditure. They recognise the need to hold free reserves amounting to one term's fees. However, this level of reserves will only be achieved gradually over the next few years.

The Governors are of the opinion that the School's assets are sufficient to meet its current obligations.

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002**

INVESTMENT POWERS, POLICY AND PERFORMANCE

These are governed by the Memorandum and Articles which permit the funds to be invested in any security, other investment or property situated anywhere in the world.

Until now the management of the investments had been the direct responsibility of the Governors. In 2002 amendments are being made to the Memorandum and Articles of Association in order to allow delegation of the management of the investments to the investment brokers.

GRANT MAKING POLICY

This year, the value of scholarships, grants, prizes and other awards made to the School's pupils was £15,968 (2001: £17,401). Awards totalling £137,989 (2001: £165,680) in bursaries were made to 9 (2001 – 10) pupils.

The Governors' policy is to make these awards on the basis of the individual's educational ability, subject to the particular conditions imposed by the original donor where the award is out of restricted funds.

RISK MANAGEMENT

The Governors continue to keep the School's activities under review and monitor performance, with particular regard to any major risks which may arise. The Governors have formed a Risk Assessment Committee which has assessed and categorised the risks which the School is, or may become, exposed to in order to ensure that there are satisfactory systems established to mitigate those risks.

A review of risks is now a regular item on the agenda of Board meetings in order to ensure that the process is constantly reviewed and updated.

FINANCIAL RESPONSIBILITIES OF THE GOVERNORS

Company Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the surplus or deficit of the School for that period. In preparing those financial statements, the Governors are required to:

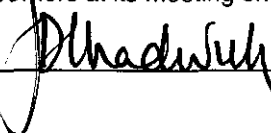

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and to enable them to ensure that the financial statements comply with Company Law. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappointed Horwath Clark Whitehill as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Council of Governors at its meeting on 28 November 2002
and signed on its behalf by:

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
THE YEHUDI MENUHIN SCHOOL LIMITED**

We have audited the financial statements of The Yehudi Menuhin School Limited for the year ended 31 August 2002 which comprise the Statement of Financial Activities, the Charity Balance Sheet and the related notes set out on pages 10 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of the directors and auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual 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 directors' remuneration and transactions with the charitable company is not disclosed.

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

Basis of 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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.

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 August 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Date 6 January 2003

25 New Street Square
London
EC4A 3LN

YEHUDI MENUHIN SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
YEAR ENDED 31 AUGUST 2002

	Unrestricted School's Operation £	Funds Other Activities £	Endowment Funds £	Restricted Funds £	2002 £	2001 £
INCOMING RESOURCES						
Charitable activities						
Fees receivable	1,421,437	-	-	-	1,421,437	1,377,784
Bursaries income	-	78,865	-	40,948	119,813	145,275
Investment income						
Investment income (Note 2)	6,241	-	-	36,963	43,204	41,821
Bank interest	14,380	-	-	27,675	42,055	30,610
Other activities to generate funds						
Concert receipts, festivals & events	-	15,198	-	-	15,198	19,604
Childrens music income	9,921	-	-	-	9,921	12,080
Holiday Course income	15,676	-	-	-	15,676	-
Donations						
Donations	8,750	2,500	-	141,906	153,156	809,227
Legacies	158,582	-	20,000	18,000	196,582	121,055
Other income (Note 2)	<u>5,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,405</u>	<u>18,506</u>
Total Incoming Resources	<u>1,640,392</u>	<u>96,563</u>	<u>20,000</u>	<u>265,492</u>	<u>2,022,447</u>	<u>2,575,962</u>
RESOURCES EXPENDED						
Cost of generating funds						
Fund-raising & publicity	18,447	-	-	11,062	29,509	33,573
Finance & other costs	75	-	-	-	75	45
Holiday Course expenses	12,570	-	-	-	12,570	-
Charitable expenditure						
Teaching	746,439	-	-	-	746,439	727,611
Welfare and catering	208,592	-	-	-	208,592	187,477
Premises	271,238	-	-	-	271,238	248,555
School support costs	186,909	803	-	-	187,712	187,684
Grants awards & prizes	-	15,138	-	830	15,968	17,401
Bursaries	-	67,500	-	70,489	137,989	165,680
Management and administration	8,630	-	-	-	8,630	7,500
Total Resources Expended (Note 5)	<u>1,452,900</u>	<u>83,441</u>	<u>-</u>	<u>82,381</u>	<u>1,618,722</u>	<u>1,575,526</u>
NET INCOMING RESOURCES BEFORE TRANSFERS	187,492	13,122	20,000	183,111	403,725	1,000,436
Transfers between funds (Note 10b)	<u>-</u>	<u>25,500</u>	<u>-</u>	<u>(25,500)</u>	<u>-</u>	<u>-</u>
NET INCOMING RESOURCES	187,492	38,622	20,000	157,611	403,725	1,000,436

The notes on pages 10 to 18 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
(Incorporating an income and expenditure account)
YEAR ENDED 31 AUGUST 2002

	Unrestricted Funds School's Operation £	Other Activities £	Endowment Funds £	Restricted Funds £	2002 £	2001 £
NET INCOME FOR THE YEAR	226,114		20,000	157,611	403,725	<i>1,000,436</i>
Unrealised Investments (losses)/gains	<u>(13,191)</u>		<u>(96,230)</u>	<u>-</u>	<u>(109,421)</u>	<u><i>2,255</i></u>
Net Movement in Funds	212,923		(76,230)	157,611	294,304	<i>1,002,691</i>
Fund balances at 1 September 2001	<u>4,093,222</u>		<u>637,076</u>	<u>990,809</u>	<u>5,721,107</u>	<u><i>4,718,416</i></u>
Fund Balances at 31 August 2002	<u>4,306,145</u>		<u>560,846</u>	<u>1,148,420</u>	<u>6,015,411</u>	<u><i>5,721,107</i></u>

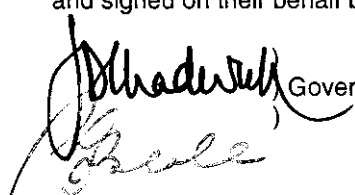
The notes on pages 10 to 18 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2002

	Notes	£	2002 £	2001 £
FIXED ASSETS				
Tangible assets	6		3,488,013	3,497,068
Investments	7		1,050,847	920,419
			4,538,860	4,417,487
CURRENT ASSETS				
Stocks		3,369		2,661
Debtors	8	93,329		644,569
Cash at bank and in hand		1,461,509		749,278
		1,558,207		1,396,508
CREDITORS				
Amounts falling due within one year	9	81,656		92,888
NET CURRENT ASSETS			1,476,551	1,303,620
NET ASSETS			6,015,411	5,721,107
RESERVES				
Endowment Funds	10a		560,846	637,076
Restricted Funds	10b		1,148,420	990,809
			1,709,266	1,627,885
Unrestricted Funds				
Designated Funds	10c	428,572		415,450
General Reserve	10c	389,560		180,704
Fixed Asset Reserve	10c	3,488,013		3,497,068
			4,306,145	4,093,222
	11		6,015,411	5,721,107

Approved by the governors on
and signed on their behalf by:

28 November 2002

 Governors

The notes on pages 10 to 18 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2002

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention, except that investment assets are carried at market value, and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in November 2000 (the Charities SORP).

b) Fees receivable and similar income

Fees receivable comprises tuition fees charged to pupils and net scholarships and bursaries funded, from restricted and external funds.

c) Bursary Funds

The School receives some of its income primarily for the provision of scholarships, bursaries and prizes. These amounts are held within restricted funds.

d) Donations and Legacies

Donations and legacies received for the general purposes of the School are credited to the School's Funds. Donations and legacies subject to specific wishes of the donors are carried to the relevant restricted fund.

e) Resources expended

Expenditure is classified under the two principal categories of Charitable Expenditure and Costs of Generating Funds rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources.

f) Value Added Tax

The School is not registered for value added tax. All expenditure is therefore included under the expense headings to which it relates inclusive of any value added tax.

g) Taxation

The School is a registered Charity and is exempt from taxation on income arising from and expended on its charitable activities.

h) Pension Costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme.

Certain non teaching staff are also members of other defined contribution schemes. All non teaching staff are entitled to join a group personal pension scheme, which complies with the requirements for a Stakeholder Pension Scheme.

i) Land and Buildings

Land and buildings are carried in the balance sheet at their cost less depreciation as the Governors consider it is not appropriate to apply a current value to such property. The cost of new buildings is added to fixed assets as it is incurred.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

1. ACCOUNTING POLICIES (CONTINUED)

j) Stocks

Stocks are valued at the lower of cost and net realisable value.

k) Depreciation

Depreciation is provided on the cost or valuation of assets, over the estimated useful life of the assets. The rates of depreciation are as follows:

Freehold Buildings	- 2% on cost
Furniture and Equipment	- written off in year of acquisition
Motor Vehicles	- 25% reducing balance
Instruments - Pianos and Keyboards	- over 10 years
Instruments - Strings	- no depreciation

String instruments are not depreciated as the quality of the instruments held is such that their likely useful life is in excess of 50 years.

Freehold buildings are only depreciated once brought into use.

l) Translation of Foreign Currencies

Transactions in foreign currencies are converted into sterling at the rates ruling on the dates of the transactions. Assets and liabilities at the year end which are denominated in foreign currency are translated at the rates ruling at the balance sheet date.

m) Investments

Investments are included in the financial statements at market value, with the exception of a property at Tunbridge Wells, with any surplus or deficit on revaluation shown as unrealised gains or losses on the face of the Statement of Financial Activities.

The School's 8/32nds share of an investment property at Tunbridge Wells has been included at probate value in the accounts. The School was given the share in Rusthall Manor estate, Tunbridge Wells under the will of Mrs Griselda Kentner who died on 10 March 1995. The School is entitled to a 25% share of both the capital and income of the estate.

There are no restrictions in the will which prevent the School from realising its share of the estate. However, the Governors do not think it is either appropriate or practical to sell their share of the property as the remainder of the property is held by certain members of Lord Menuhin's family. The Governors have stated that it is their intention to retain ownership of their share of the property.

In the opinion of the Governors it is not possible to arrive at a market value for the School's share of the property given that it represents a minority share in a larger property which is not itself available to be sold. Accordingly, the School's share of the estate has been included in these accounts at £250,000, at 8/32nds of its original probate value.

n) Governments Grants Receivable

Government grants received in respect of pupils fees are included within income in the year to which they relate.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

2. INCOME	2002	2001
	£	£
a) Other Income		
Audition fees	905	1,095
Sundry income	<u>4,500</u>	<u>17,411</u>
	5,405	18,506
b) Investment Income		
Rent receivable	6,241	12,266
Listed investments - UK	36,121	28,788
- Foreign	<u>842</u>	<u>767</u>
	43,204	41,821
 3. RESOURCES EXPENDED		
Management and administration includes:		
Auditors' remuneration:		
For audit	<u>7,700</u>	<u>7,500</u>
 4. STAFF COSTS		
Wages and salaries	830,211	806,399
Social security costs	59,323	57,332
Pension contributions	<u>40,456</u>	<u>35,041</u>
	929,990	898,772

The number of employees (including full time equivalent numbers for part time employees) in the year was 39 (2001 - 39) of which 24 (2001 - 24) were teaching staff. Neither the Governors nor persons connected with them received any remuneration or reimbursement of expenses from the School.

No members of staff received emoluments in excess of £50,000

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

5. ANALYSIS OF TOTAL RESOURCES EXPENDED	Staff Costs £	Other £	Depreciation £	2002 Total £
Cost of Generating Funds				
Fund-raising & publicity	-	29,509	-	29,509
Finance & other costs	-	75	-	75
Holiday course expenses	-	12,570	-	12,750
Charitable Expenditure				
Teaching	711,341	3,055	32,043	746,439
Welfare and catering	66,294	139,932	2,366	208,592
Premises	48,825	174,973	47,440	271,238
School support costs	103,530	84,182	-	187,712
Grants awards & prizes	-	15,968	-	15,968
Bursaries	-	137,989	-	137,989
Management & administration of the charity	-	8,630	-	8,630
	929,990	606,883	81,849	1,618,722
	Staff Costs £	Other £	Depreciation £	2001 Total £
Costs of Generating Funds				
Fund-raising & publicity	-	33,573	-	33,573
Finance & other costs	-	45	-	45
Charitable Expenditure				
Teaching	663,070	44,191	20,350	727,611
Welfare and catering	116,610	67,712	3,155	187,477
Premises	36,951	164,164	47,440	248,555
School support costs	82,141	105,543	-	187,684
Grants awards & prizes	-	17,401	-	17,401
Bursaries	-	165,680	-	165,680
Management & administration of the charity	-	7,500	-	7,500
	898,772	605,809	70,945	1,575,526

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

6. FIXED ASSETS	Freehold land and buildings £	Musical instruments £	Furniture and academic equipment £	Motor vehicles £	Total £
COST OR VALUATION					
1 September 2001	2,674,233	1,145,310	182,897	52,373	4,054,813
Additions	<u>21,567</u>	<u>37,500</u>	<u>13,727</u>	<u>-</u>	<u>72,794</u>
31 August 2002	<u>2,695,800</u>	<u>1,182,810</u>	<u>196,624</u>	<u>52,373</u>	<u>4,127,607</u>
DEPRECIATION					
1 September 2001	251,386	80,554	182,895	42,910	557,745
Charge	<u>47,440</u>	<u>18,316</u>	<u>13,727</u>	<u>2,366</u>	<u>81,849</u>
31 August 2002	<u>298,826</u>	<u>98,870</u>	<u>196,622</u>	<u>45,276</u>	<u>639,594</u>
NET BOOK VALUE					
At 31 August 2002	<u>2,396,974</u>	<u>1,083,940</u>	<u>2</u>	<u>7,097</u>	<u>3,488,013</u>
<i>At 31 August 2001</i>	<u><i>2,422,847</i></u>	<u><i>1,064,756</i></u>	<u><i>2</i></u>	<u><i>9,463</i></u>	<u><i>3,497,068</i></u>

Included within musical instruments are string instruments with a value £970,530. These have been included at insurance valuation as the Governors were unable to quantify the cost of these assets.

7. INVESTMENTS	2002 £	2001 £
Equity Investments		
Market value at 1 September 2001	582,326	580,071
Additions	119,849	-
Unrealised (losses)/gains	<u>(109,421)</u>	<u>2,255</u>
Market value at 31 August 2002	<u>592,754</u>	<u>582,326</u>
Historic cost at 31 August 2002	<u>379,315</u>	<u>259,620</u>
Summary of investments		
Cash held for re-investment	208,093	88,093
Investment property	250,000	250,000
Bursary endowments	<u>592,754</u>	<u>582,326</u>
	<u>1,050,847</u>	<u>920,419</u>
 The geographical split of investments is as follows:		
UK equities	484,556	448,461
Overseas equities	<u>108,198</u>	<u>133,865</u>
	<u>592,754</u>	<u>582,326</u>

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

7. INVESTMENTS (CONTINUED)

Investments representing 5% or more of the total portfolio are as follows:

	Market value	
	2002	2001
	£	£
1910 Glaxosmithkline Ord. GB PO.25	-	34,915
8,000 Gerrard UK Inv Fds income & growth	40,079	48,512
1,000 Royal Dutch Petroleum NLG 1.25	36,462	40,852
60,000 ICI 10% Bonds 15/4/2003	61,626	63,270
3,800 Lloyds TSB Gilt Trust	43,282	-

8. DEBTORS

Income Tax recoverable	996	27,176
Fees and recharges receivable	49,983	51,001
Other debtors	-	2,488
Prepayments & accrued income	42,350	563,904
	<u>93,329</u>	<u>644,569</u>

9. CREDITORS

Fees received in advance	27,028	24,711
Accruals and deferred income	51,836	64,095
Other creditors	2,792	4,082
	<u>81,656</u>	<u>92,888</u>

10a ENDOWMENT FUNDS

	Balances brought forward £	Incoming Resources £	Investment Gains/ (losses) £	Balances carried forward £
Bursary Endowments				
Esso/Westminster	24,761	-	(4,431)	20,330
Eta Herbst	332,705	-	(55,171)	277,534
Cholmondeley	160,986	-	(26,696)	134,290
Sherman	16,098	-	(2,670)	13,428
Jeanty Raven	2,921	-	(681)	2,240
Madame Phyllis Baker Scholarship	50,000	-	-	50,000
JGC Mellars	-	20,000	-	20,000
Fermoy Masterclass	26,831	-	(4,449)	22,382
Distributable Awards				
Sir Ronald Harris	10,039	-	-	10,039
Brackenbury	12,735	-	(2,132)	10,603
	<u>637,076</u>	<u>20,000</u>	<u>(96,230)</u>	<u>560,846</u>

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

10b	RESTRICTED FUNDS	Balances brought forward £	Incoming Resources £	Resources Expended £	Transfers £	Balances carried forward £
	Jeanty Raven	-	166	(166)	-	-
	Miller Smiths Scholarship	837	137	-	-	974
	Fermoy masterclass	2,034	1,562	(1,562)	-	2,034
	Sir Ronald Harris	2,997	823	(145)	-	3,675
	Brackenbury	933	629	(1,089)	-	473
	Albert Cowie	1,165	-	-	-	1,165
	Piano appeals fund	20,397	16,686	-	(25,500)	11,583
	Esso/Westminster	-	1,057	(1,057)	-	-
	Eta Herbst	-	19,378	(19,378)	-	-
	Cholmondeley	-	9,376	(9,376)	-	-
	Sherman	-	938	(938)	-	-
	Kissin Award	48,787	1,641	(225)	-	50,203
	Yehudi Menuhin Memorial Fund	881,085	165,133	(11,062)	-	1,035,156
	Scholarship	-	1,682	(1,682)	-	-
	Paloma O'Shea	3,002	-	-	-	3,002
	Bursary Fund	29,572	44,284	(35,701)	-	38,155
	Library Fund	-	2,000	-	-	2,000
		<u>990,809</u>	<u>265,492</u>	<u>(82,381)</u>	<u>(25,500)</u>	<u>1,148,420</u>

The transfer between funds of £25,500 relates to the purchase of piano's from the piano appeals fund.

10C UNRESTRICTED FUNDS

	Balance brought forward £	Incoming resources £	Resources expended £	Investment gains and losses £	Transfers £	Balance carried forward £
Income Fund	22,185	-	-	-	-	22,185
Student aid	14,854	15,198	(12,678)	-	-	17,374
Prize Fund	1,024	-	-	-	-	1,024
Wallace Curzon	2,310	2,500	(2,460)	-	-	2,350
White House Art Fund	1,793	-	-	-	-	1,793
Computer Fund	803	-	(803)	-	-	-
Yehudi Menuhin Instruments	113,100	-	-	-	-	113,100
Property, Tunbridge Wells	250,000	-	-	-	-	250,000
Louis Kentner	-	67,500	(67,500)	-	-	-
Bursaries	9,381	11,365	-	-	-	20,746
	<u>415,450</u>	<u>96,563</u>	<u>(83,441)</u>	<u>-</u>	<u>-</u>	<u>428,572</u>
General Reserve	180,704	1,640,392	(1,452,900)	(13,191)	34,555	389,560
Fixed Assets	3,497,068	-	-	-	(9,055)	3,488,013
	<u>4,093,222</u>	<u>1,736,955</u>	<u>(1,536,341)</u>	<u>(13,191)</u>	<u>25,500</u>	<u>4,306,145</u>

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

ENDOWMENT FUNDS

These are funds where the Governors are required to hold the capital and are not entitled to convert it to income. Income arising from these funds is included within restricted funds and is spent in line with the wishes of the donor.

Bursary Endowment Funds

These funds arise from legacies, grants and donations made for the specific purpose of providing bursaries to students; the recipients and amounts of bursaries are determined by the Headmaster and Governors.

Fermoy Masterclass

This endowment from Lady Fermoy is to fund Masterclasses by visiting teachers for pupils at the School.

Distributable Awards

These represent donations given to provide awards to students.

RESTRICTED FUNDS

Piano Appeals Fund

This represents amounts donated to fund the purchase of pianos and other keyboard instruments. In addition to the musical instruments, the unexpended cash funds of £11,583 were held separately at 31 August 2002.

UNRESTRICTED FUNDS

Income Fund

This includes income from quoted investments and investment deposits from which awards and bursaries are granted at the discretion of the Headmaster and Governors.

Student Aid

These funds have principally derived from the efforts of students, i.e. concerts and recitals, and are designated to be used for the benefit of students, rather than the School generally.

Prize Fund

The prize fund represents money set aside to pay for prizes at the School's discretion.

Wallace Curzon

The Wallace Curzon fund represents monies set aside for the purposes of making awards to pupils.

White House Art Fund

This includes monies earmarked by the Governors for buying works of Art for displaying in the White House.

Computer Fund

This is a fund set aside for the future purchase of computers for the use of the School.

Yehudi Menuhin Instruments

Contained within this fund are some musical instruments which were gifted by Lord Menuhin to the School for the general use of the pupils.

Property, Tunbridge Wells

This fund contains the above property which, at the discretion of the governors, is being held in a separate fund.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2002

Fixed Asset Fund

The fixed asset fund represents reserves earmarked by the Governors to establish a fund equal to the amount spent on tangible fixed assets by the School.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Permanent Endowment £	Expendable Endowment £	Restricted Funds £	Unrestricted Funds £	Total £
Tangible Fixed Assets	-	-	-	3,488,013	3,488,013
Investments	490,846	50,000	173,669	336,332	1,050,847
Net current assets	20,000	-	974,751	481,800	1,476,551
Total Net Assets	510,846	50,000	1,148,420	4,306,145	6,015,411

12. PENSION COMMITMENTS

The School participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers Pension. As a result it is not possible to identify the assets and liabilities of the scheme, which are attributable to the school.

The last Report by the Government Actuary (GA) covered the period 1 April 1991 to 31 March 1996. The valuation statement as at 31 March 1996 made in June 1999 showed a balance of liability to be met by employers' supplementary contributions of £3,960 million. The GA concluded, in his supplementary report of March 2000 specifying an alternative pattern of employers' supplementary contributions, that the balance of liability could be eliminated by supplementary contributions of 0.4% of pay from 1 April 2000 to 31 March 2002, and of 1.35% from 1 April 2002 to 31 March 2040.

Following this report normal contributions have been raised to 14.35%, 6% to be paid by the teachers and 8.35% by the employer. The new normal rate operated from 1 April 2002. The financial assumptions in the GA report were that prices would increase by 5% and salaries by 6.5%, and the rate of return on investments would be 8.5%.

The School's contributions represent a minor proportion of the payments into the scheme. The superannuation charge represents contributions payable to the fund of £25,542 (2001 £21,900).

The School also runs a defined contribution scheme for non-teaching staff. The superannuation charge represents the School's contributions to the scheme of £14,914 (2001: £13,141).

13. SHARE CAPITAL

The company does not have any share capital and is limited by guarantee.

The liability of the 15 members is limited to £1.00 each.