

**BELMONT SCHOOL (FELDEMORE)
EDUCATIONAL TRUST LIMITED**

**GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2007**

**Company No 00866751
Charity Registration No 312077**

**Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW**

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**BELMONT SCHOOL (FELDEMORE)
EDUCATIONAL TRUST LIMITED**

**GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2007**

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BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

REPORT OF THE GOVERNORS

The Governors present their report together with the audited financial statements for the year ended 31st August 2007 in accordance with the Companies Act 1985, the Charities Act 1993, the charity's governing document and the Statement of Recommended practice "Accounting by Charities" issued by the Charity Commissioners in March 2005

The objective of the School

The objective as set out in the Memorandum of Association is the academic, physical, moral and religious education of boys and girls. Belmont School operates as a Preparatory, Pre Preparatory and Early Years day and boarding school for boys and girls

Strategies for achieving objectives

Governors

The Governors of the School are also the charity trustees. The Governors who served during the year were

Mr N Butcher (Chairman)
Dr B Morgan (resigned 07 07 07)
Mr D Aylward
Mrs B Baker
Mr N F Maltby
Mr M Neve
Mrs M Prescott
Mr C Richardson
Mrs L Roderick
Mrs P Sutton (resigned 15 05 07)
Mrs J Wells

Professional advisers and key personnel

<u>The Headmistress</u>	Mrs H Skrine	<u>Auditors</u>	Jacob Cavenagh & Skeet
<u>The Bursar</u>	Mr S W Clarke		5 Robin Hood Lane
<u>and Trust Secretary</u>			Sutton
			Surrey
			SM1 2SW
<u>Address and</u>	Belmont School		
<u>Registered Office</u>	Feldemore	<u>Bankers</u>	Barclays Bank plc
	Holmbury St Mary		171-173 High Street
	Dorking		Guildford
	Surrey RH5 6LQ		Surrey GU1 3AN

Organisation

The School is a registered charity (registration number 312077) and is constituted as a company registered in England and limited by guarantee (registration number 00866751). Its objects, powers and constitution are set out in its Memorandum and Articles of Association dated 16th December 1965.

The directors of the company are the charity's trustees and form the Board of Governors for the School.

The Board comprises a minimum of 4 and a maximum of 20 Governors. At the AGM every year, one third of the Governors retire from office, the Governors to retire in each year being those who have been longest in office since their last election or appointment. A retiring Governor shall be eligible for re-election. The Board appoints new Governors in the light of specific criteria and the needs created by retirements. Governor appointments are based on the need for the Board as a whole to have the skills and experience to determine the policies of the school and to monitor the implementation of those policies.

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

REPORT OF THE GOVERNORS (continued)

Governing Body

The Directors, who are also Trustees, are elected at a full Governors Meeting on the basis of nominations received, usually through the Chairman, to the Board's specifications concerning eligibility, personal competence, specialist skills and availability, and also from the Head on the same basis. At the Annual General Meeting in every year, one third of the Governors retire from office, the Governors to retire in each year being those who have been longest in office since their last election or appointment. A retiring Governor shall be eligible for re-election. No outside party may appoint a Governor.

Trustee-training

New Governors are inducted into the workings of the school, and also of the Company as a registered charity, including Board Policy and Procedures. They are given The Charity Commission leaflets CC3 and CC3(a), Responsibility of Charity Trustees, a copy of the Memorandum and Articles of Association, the latest audited accounts and up to date management figures.

Organisational Management

The Governors meet as a Board four times a year to determine the general policy of the school and review its overall management and control, for which they are legally responsible. The day-to-day running of the school is delegated to the Head and the Bursar, supported by other teaching members of the Senior Management Team.

Review of the year

This has been a successful year for the school and there has been a steady growth in the level of interest among prospective parents. A favourable Independent Schools Inspectorate report was published following an inspection in February. The report paid tribute to the quality of the educational provision, and to its effective leadership and management, both educationally and financially.

A new nursery was completed in April 2007 and the first pupils were welcomed. The building is well equipped and environmentally sound. It represents a significant amount of capital expenditure and a key step forward in the school's development. The children are aged from two years old, attending on a sessional basis, and it is envisaged that numbers will continue to grow steadily over the forthcoming year.

There have been a number of site improvements in addition to the building of the new nursery building. A new car park has been created, which will be used primarily to accommodate the growing numbers, the external site wall of the Theatre has been rebuilt and new doors and windows added which will provide the potential for future development, finally, the swimming pool has been refurbished by replacing areas of mosaic and coping tiling.

We were delighted with the quality of staff brought in to cover maternity leave. Apart from these, there were no other staff departures, and all three women on maternity leave are due to return to work. We have begun to increase staffing in order to reduce class sizes to the educational advantage of the pupils in our care.

The average numbers of pupils were

Pre-Preparatory	57
Prep School Day Pupils	85
Prep School Boarders	4
Moon Hall Boarders	<u>21</u>
	<u>167</u>

In addition the school provided both education and extra curricular support to between 40 and 50 pupils registered as pupils of Moon Hall school. Extra curricular support was also provided to around a further 40 Moon Hall pupils.

Risk management

The Governors have an established procedure to review key risks on an ongoing basis.

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

REPORT OF THE GOVERNORS (continued)

Reserves

The Governors have established a general reserve policy to afford some protection to the School and its charitable programme and to provide time to adjust to changing financial circumstances

General Reserves

General Reserves are not restricted or designated for use on a particular programme or for some other defined or designated purpose. The balance on General Reserves represents sufficient resources for the current activities of the school to continue in the event of a significant drop in income, and to provide flexibility to undertake future capital projects

Designated Funds

Designated Funds are those unrestricted funds that have been allocated by the Governors for particular purposes. The Designated Funds for Fixed Assets totalling £2,343,327 represent resources invested in the charity's fixed assets that are therefore not available for other purposes

Financial results

Net incoming resources were £106,745 (2006 incoming resources £86,670)

Connected charities

Moon Hall is a small, specialist purpose-built dyslexia school within Belmont's grounds. It is a limited company and has individual charitable status, with its own Principal and Governing Body. Moon Hall utilises Belmont's resources, for which Belmont School is remunerated and vice versa. During the year two of Belmont's Governors were also Governors of Moon Hall.

Investment powers and policy

These are governed by the Memorandum and Articles of Association, which permit surplus funds to be invested in any investments, security or property as may be thought fit and as may be prescribed by law.

The School's investment objective is to maximise the return on its investment funds while maintaining maximum security and a high degree of liquidity. To meet this objective the School invests in call deposits with a high security rating and either fixed interest rates or with a fixed relationship to base rate.

Disclosure on information to auditors

To the knowledge and belief of the Governors, there is no relevant information that the company's auditors are not aware of, and the Governors have taken all the steps necessary to ensure the Governors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Auditors

A resolution to reappoint Jacob Cavenagh & Skeet as auditors will be put to the members at the Annual General Meeting.

Small company

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Governors at its meeting on 8 November 2007 and signed on its behalf by



Mr N Butcher
Chairman

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company law requires the Governors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements giving a true and fair view, the Governors should follow best practice and

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr N Butcher

8 November 2007

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED**

We have audited the financial statements of Belmont School (Feldemore) Educational Trust Limited for the year ended 31st August 2007, which comprise the Statement of Financial Activities, Income and Expenditure Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out on pages 8 and 9.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 governors and auditors

As described on page 4, the company's governors, who also act as trustees for the charitable activities of the company, are responsible for the preparation of the Report of the Governors and 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 statutory 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Governors is not consistent with the financial statements, if 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 directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with 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 significant estimates and judgements made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to smaller Entities, of the state of the company's affairs as at 31 August 2007 and of its incoming resources and application of resources for the year ended and have been properly prepared in accordance with the Companies Act 1985.
- The information given to the governors' report is consistent with the financial statements.

Jacob Cavenagh & Skeet

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditors

12 November 2007

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account) FOR THE YEAR ENDED 31ST AUGUST 2007

Income and Expenditure Account		2007			2006
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Total £
Incoming resources					
<i>Incoming resources from charitable activities</i>					
Fees receivable		1,686,800	-	1,686,800	1,582,806
Other income	2	21,854	-	21,854	21,952
<i>Incoming resources from generated funds</i>					
Hire of school facilities		19,030	-	19,030	17,231
Investment income		25,202	-	25,202	23,198
Donations		4,543	2,243	6,786	19,067
Total incoming resources		<u>1,757,429</u>	<u>2,243</u>	<u>1,759,672</u>	<u>1,664,254</u>
Resources expended	5				
<i>Charitable activities</i>					
Provision of education		1,646,181	-	1,646,181	1,571,968
<i>Governance costs</i>		6,746	-	6,746	5,616
Total resources expended		<u>1,652,927</u>	<u>-</u>	<u>1,652,927</u>	<u>1,577,584</u>
Net income before transfers for the year	3	104,502	2,243	106,745	86,670
Transfers between funds		<u>2,243</u>	<u>(2,243)</u>	<u>-</u>	<u>-</u>
Net movement in funds		106,745	-	106,745	86,670
Balance brought forward at 1st September 2006		<u>2,627,827</u>	<u>-</u>	<u>2,627,827</u>	<u>2,541,157</u>
Balance carried forward at 31st August 2007		<u>2,734,572</u>	<u>-</u>	<u>2,734,572</u>	<u>2,627,827</u>
Net movement in funds		106,745	-	106,745	86,670
Resources (used for)/released by net movements on fixed assets for charity use		<u>(102,247)</u>	<u>-</u>	<u>(102,247)</u>	<u>(26,902)</u>
Net movement in funds available for future activities		<u>4,498</u>	<u>-</u>	<u>4,498</u>	<u>59,768</u>

The company has no other recognised gains or losses for the year



There were no discontinued or acquired activities during the current or preceding year

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

BALANCE SHEET AT 31ST AUGUST 2007

		2007		2006	
	Note	£	£	£	£
Fixed assets					
Tangible assets	6		2,343,327		2,241,080
Current assets					
Stocks	7	1,907		2,473	
Debtors	8	39,424		69,629	
Cash in hand and at bank		208,643		91,422	
Building society deposits		<u>285,002</u>		<u>335,002</u>	
		534,976		498,526	
Creditors Amounts falling due within one year	9	<u>143,730</u>		<u>111,779</u>	
Net current assets			<u>391,246</u>		<u>386,747</u>
Total assets less current liabilities	12		<u>2,734,573</u>		<u>2,627,827</u>
Funds					
Unrestricted Funds	10				
General Reserves			391,246		386,747
Designated Funds – including revaluation reserve of £676,833 (2006 £676,833)			2,343,327		2,241,080
Restricted Funds	11		<u>-</u>		<u>-</u>
			<u>2,734,573</u>		<u>2,627,827</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Council on 8 November 2007 and signed on their behalf by

N Butcher	)
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Governors

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention and in accordance with the Charities Act 1993 and the Statement of Recommended Practice "Accounting by Charities", issued in March 2005

Fixed assets

Depreciation is calculated to write off the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments or by reducing balance method over their expected useful lives. The following rates are used

Sports Hall	–	2% straight line
Nursery	–	2.5% straight line
Leasehold property	–	2.5% straight line
Motor vehicles	–	25% reducing balance
Fixtures, fittings and equipment	–	15% reducing balance
Computer equipment	–	33.33% straight line

The other freehold property is maintained to a high standard, which prolongs its useful life and enhances its value. Accordingly the Governors consider any depreciation arising to be immaterial. The Governors carry out an annual review to consider the useful life and estimated residual value of the freehold property.

It is not the policy of the Governors to revalue the freehold land and buildings in the future. The last valuation on 3rd May 1990 will be retained in the accounts as allowed by the transitional provision of Financial Reporting Standard No 15.

Stocks

Stocks of school bags, clothing and other items for resale are included at cost on a first in first out basis.

Fee income

Fee income represents fees for the school year ending 31st August 2007, less bursaries and allowances.

Donations

Income from donations is recognised on a receipts basis.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent.

Teaching costs

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

Contributions to pension funds

The school makes pension contributions for teaching staff through the scheme operated by the Teachers Pension Agency; costs are charged to profits for the period in which they are incurred. Contributions are made to personal pension plans for other staff at the discretion of the Governors.

Taxation

The school is exempt from taxation for as long as it maintains its educational objectives and accordingly no provision is made for taxation, including deferred taxation on the revaluation of the freehold land and buildings.

Charitable activities

This comprises all expenditure directly related to the objects of the charity.

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2007 (continued)

1 ACCOUNTING POLICIES (continued)

Governance costs

This comprises all expenditure on the management and administration of the charity, including the audit fee, bad debts and bank charges etc

2 OTHER INCOME	2007 £	2006 £
Registration fees	935	425
Sundry income	<u>20,919</u>	<u>21,527</u>
	<u>21,854</u>	<u>21,952</u>
3 NET INCOMING RESOURCES	2007 £	2006 £
This is stated after charging/(crediting)		
Depreciation	49,950	47,028
Income from cash investments	(25,202)	(23,198)
Auditors' remuneration	<u>4,524</u>	<u>4,347</u>
4 STAFF COSTS	2007 £	2006 £
Wages and salaries	961,135	933,635
Social security costs	79,790	76,599
Pension contributions	82,569	77,642
Benefits in kind	3,479	2,192
Agency staff	<u>13,883</u>	<u>24,469</u>
	<u>1,140,856</u>	<u>1,114,537</u>

No employees received emoluments exceeding £60,000 (2006 None)

The average number of employees during the year was	2007 No	2006 No
Teaching Full time	24	21
Part time	2	2
Domestic	12	12
Administration	<u>8</u>	<u>8</u>
	<u>46</u>	<u>43</u>

The Governors received no remuneration or reimbursed expenses during the year

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2007 (continued)

5	RESOURCES EXPENDED	Staff costs £	Other costs £	Depreciation £	2007 Total £	2006 Total £
	Charitable activities					
	Teaching costs	780,826	80,108	-	860,934	860,467
	Welfare costs	78,043	94,114	8,654	180,811	176,197
	Premises costs	103,113	246,381	20,503	369,997	288,315
	Support costs	<u>174,720</u>	<u>38,926</u>	<u>20,793</u>	<u>234,439</u>	<u>246,989</u>
		1,136,702	459,529	49,950	1,646,181	1,571,968
	Governance costs	675	6,071	-	6,746	5,616
		<u>1,137,377</u>	<u>465,600</u>	<u>49,950</u>	<u>1,652,927</u>	<u>1,577,584</u>

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold land and buildings £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1st September 2006	2,172,728	5,000	79,328	377,882	96,116	2,731,054
Additions	127,893	-	25,000	715	-	153,608
Disposals	-	-	(25,050)	-	-	(25,050)
At 31st August 2007	<u>2,300,621</u>	<u>5,000</u>	<u>79,278</u>	<u>378,597</u>	<u>96,116</u>	<u>2,859,612</u>
Depreciation						
At 1st September 2006	83,406	2,960	68,300	239,192	96,116	489,974
Charge for the year	20,378	125	8,654	20,793	-	49,950
Release on disposal	-	-	(23,639)	-	-	(23,639)
At 31st August 2007	<u>103,784</u>	<u>3,085</u>	<u>53,315</u>	<u>259,985</u>	<u>96,116</u>	<u>516,285</u>
Net book value						
At 31st August 2007	<u>2,196,837</u>	<u>1,915</u>	<u>25,963</u>	<u>118,612</u>	<u>-</u>	<u>2,343,327</u>
At 31st August 2006	<u>2,089,322</u>	<u>2,040</u>	<u>11,028</u>	<u>138,690</u>	<u>-</u>	<u>2,241,080</u>

The freehold land and buildings were revalued on 3rd May 1990 by Stewart Gore, Chartered Surveyors, at an existing use value of £800,000. Fixtures and fittings include items valued by the Governors at £60,000 at 31st August 1993.

The depreciated historical cost of the freehold land and buildings is £1,520,004.

7	STOCK	2007 £	2006 £
	Goods for resale	<u>1,907</u>	<u>2,473</u>
8	DEBTORS	2007 £	2006 £
	Fees	25	7,597
	Other debtors	11,189	12,673
	Prepayments and accrued income	<u>28,210</u>	<u>49,359</u>
		<u>39,424</u>	<u>69,629</u>

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2007 (continued)

9 CREDITORS	Amounts falling due within one year				2007	2006
					£	£
Fees in advance					44,027	-
Trade creditors					61,113	73,045
Other taxes and social security costs					23,140	24,199
Other creditors					10,926	10,187
Accruals					<u>4,524</u>	<u>4,348</u>
					<u>143,730</u>	<u>111,779</u>
10 UNRESTRICTED FUNDS	Balance at 1.9.06	Incoming resources	Resources expended	Transfers		Balance at 31.8.07
	£	£	£	£		£
Designated Fund for Fixed Assets						
- Fixed Asset Reserve	1,564,227	-	-	102,247		1,666,474
- Revaluation Reserve	<u>676,853</u>	-	-	-		<u>676,853</u>
	2,241,080	-	-	102,247		2,343,327
General reserves	<u>386,747</u>	<u>1,757,430</u>	<u>(1,652,927)</u>	<u>(100,004)</u>		<u>391,246</u>
	<u>2,627,827</u>	<u>1,757,430</u>	<u>(1,652,927)</u>	<u>2,243</u>		<u>2,734,573</u>
11 RESTRICTED FUNDS	Balance at 1.9.06	Incoming resources	Resources expended	Transfers		Balance at 31.8.07
	£	£	£	£		£
Friends of Belmont	-	<u>2,243</u>	-	<u>(2,243)</u>		-
The Friends of Belmont Fund has been established to meet specific items of expenditure on an ad-hoc basis. The Friends are approached to meet specific expenditure requirements, and donate accordingly for that purpose. Once the funds are expended as directed the donations are released to general reserves.						
12 TOTAL ASSETS LESS CURRENT LIABILITIES			Fixed assets	Net current assets		2007 Total
			£	£		£
Unrestricted Funds			2,343,327	391,246		2,734,573
Restricted Funds			<u>-</u>	<u>-</u>		<u>-</u>
			<u>2,343,327</u>	<u>391,246</u>		<u>2,734,573</u>

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2007 (continued)

13 SHARE CAPITAL

The company has no share capital being a company limited by guarantee

14 GOVERNORS' INDEMNITY INSURANCE

The company has purchased Governors' liability insurance providing cover of up to £1,000,000 in respect of claims arising from negligence, error or omission committed in good faith. The premium amounted to £480 (2006 £480)

15 CONNECTED CHARITIES

Moon Hall is a small, specialist purpose-built dyslexia school within Belmont's grounds. It is a limited company and has individual charitable status, with its own Principal and Governing Body. Moon Hall utilises Belmont's resources, for which Belmont School is remunerated and vice versa. During the year two of Belmont's Governors were also Governors of Moon Hall. During the year Belmont School charged fees of £480,603 to Moon Hall pupils and paid recharged expenses of £24,559 to Moon Hall.

16 STAFF PENSIONS

Under the Teachers' Superannuation Scheme (which is a defined benefit scheme) teachers' contributions, on a pay-as-you-go basis, and employer's contributions are credited to the Exchequer. Although the scheme is a defined benefit scheme, it is a multi-employer scheme, and the School is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with paragraph nine of FRS17 *Retirement Benefits* the School accounts for the scheme as if it were a defined contribution scheme.

Under the Teachers' Superannuation Scheme an annual account, the Teachers Pension Account, is kept of receipts and expenditure. Any excess of income over expenditure is deemed to be invested in Government Securities. Notional interest on the deemed investment is added to the Account, and the resultant balance is known as the Notional Fund. Expenditure debited to the Account excludes the cost of pension increases paid under the Pension (Increases) Act.

Every five years the Government actuary conducts an actuarial review of the Scheme, using normal actuarial principles. The most recent review of the Scheme, covering the 5 years ended 31st March 2001, was published in March 2003. This showed that the value of the notional investments required to balance the valuation assets and liabilities of the scheme was £102,010 million.

The school contributed between 13.5% and 14.1% of pensionable salaries to the scheme, in accordance with the recommendations of the actuary.

17 CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted for	1,113	35,452
Approved, but not yet contracted for	—	—