

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

**GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002**

**Company No 00866751
Charity Registration No 312077**



**Jacob Cavenagh & Skeet
Chartered Accountants
6/8 Tudor Court
Brighton Road
Sutton, Surrey, SM2 5AE**

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

**GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002**

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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 2002 in accordance with the Companies Act 1985, the Charities Act 1993 and the charity's governing document.

Governors

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

Mr R J K Salter (Retired 6th July 2002)
Mr D Aylward
Mrs B Baker
Mrs A Borrowdale (Retired 15th November 2001)
Mrs J Hardy
Mr N F Maltby
Dr B Morgan (Chairman)
Mrs M Prescott
Mrs P Sutton

Professional advisers and key personnel

<u>The Headmaster</u>	Mr D St C Gainer	<u>Auditors</u>	Jacob Cavenagh & Skeet 6/8 Tudor Court Brighton Road Sutton Surrey SM2 5AE
<u>The Bursar and Trust Secretary</u>	Mr S W Clarke		
<u>Address</u>	Belmont School Feldmore Holmbury St Mary Dorking Surrey RH5 6LQ	<u>Bankers</u>	Barclays Bank plc 171-173 High Street Guildford Surrey GU1 3AN

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.

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.

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.

Policy

In accordance with the Memorandum, Belmont School operates as a Preparatory and Pre-preparatory day and boarding school for boys and girls.

Review of the year

Belmont has enjoyed another successful academic year. Pupils have benefited from the introduction of the new indoor sports hall. Numbers have been very buoyant indeed although the school lost more members of Year 8 at the end of the year than ever before. Funds have been allocated for new building developments in the Pre-Prep Department and to provide extra accommodation in the Gymnasium by way of a mezzanine floor. This will enable us to alter our computer facilities and improve what we offer to the children considerably. The Pre-Prep Department will benefit from a much larger assembly room which has been needed for some time.

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED
REPORT OF THE GOVERNORS (continued)

Review of the year (continued)

Regular programmes of maintenance have taken place and the school has been completely redecorated on the outside, in accordance with our policy. Health and safety issues have been dealt with promptly and a full risk analysis is being undertaken. The school is fortunate in having very little in terms of outstanding fees and continues to enjoy a strong reputation in the local area. Boarding numbers are stable, with the numbers of girls increasing.

The average numbers of pupils were:

Pre prep	70
Main School Day	93
Main School Boarders	8
Moon Hall Boarders	<u>18</u>
	<u>189</u>

Risk management

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

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 Fund for Fixed Assets of £2,008,540 represents resources invested in the charity's fixed assets that are therefore not available for other purposes.

Financial results

Net incoming resources were £274,240 (2001: incoming resources £316,666).

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 three 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.

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 14th November 2002 and signed on its behalf by:


Dr B Morgan
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.



Dr B Morgan

14th November 2002

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 2002, 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 page 7.

Respective responsibilities of governors and auditors

As described on page 3, 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 Auditing Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and statutory requirements and United Kingdom Accounting 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 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 opinion

We conducted our audit in accordance with 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 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 of the state of the company's affairs as at 31st August 2002 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

6/8 Tudor Court
Brighton Road
Sutton
Surrey
SM2 5AE

29 November 2002

Jacob Cavenagh & Skeet
Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditors

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account) FOR THE YEAR ENDED 31ST AUGUST 2002

Income and Expenditure Account		2002		2001
	Note	Unrestricted Funds £	Restricted Funds £	Total £
Incoming resources				
<i>Charitable activities</i>				
Fees receivable		1,468,259	-	1,468,259
Other income		42,231	-	42,231
<i>Investment income</i>		20,516	-	20,516
<i>Donations</i>		1,205	3,240	4,445
Total incoming resources		<u>1,532,211</u>	<u>3,240</u>	<u>1,535,451</u>
Resources expended	5			
<i>Charitable expenditure</i>				
Cost of activities in furtherance of the charity's objects		1,252,299	3,240	1,255,539
Management and administration		5,672	-	5,672
Total resources expended		<u>1,257,971</u>	<u>3,240</u>	<u>1,261,211</u>
Net incoming resources for the year	3	274,240	-	274,240
Balance brought forward at 1st September 2001		<u>2,185,572</u>	<u>-</u>	<u>2,185,572</u>
Balance carried forward at 31st August 2002		<u>2,459,812</u>	<u>-</u>	<u>2,459,812</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 2002

		2002		2001	
	Note	£	£	£	£
Fixed assets					
Tangible assets	6		2,008,540		2,015,663
Current assets					
Stocks	7	2,349		2,383	
Debtors	8	28,398		20,759	
Cash in hand and at bank		18,089		7,919	
Building society deposits		<u>575,002</u>		<u>345,002</u>	
		623,838		376,063	
Creditors: Amounts falling due within one year	9	<u>172,566</u>		<u>206,154</u>	
Net current assets			<u>451,272</u>		<u>169,909</u>
Total assets less current liabilities			<u>2,459,812</u>		<u>2,185,572</u>
Funds					
Unrestricted Funds	10				
General Reserves			451,272		169,909
Designated Funds			2,008,540		2,015,663
Restricted Funds	11		<u>-</u>		<u>-</u>
			<u>2,459,812</u>		<u>2,185,572</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 14th November 2002 and signed on their behalf by:

B Morgan )
P Sutton )
) Governors
)

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

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 Statement of Recommended Practice "Accounting by Charities", issued in October 2000.

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
Leasehold property	-	2.5% straight line
Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Computer equipment	-	25% 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, 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 expenditure

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 2002 (continued)

1 ACCOUNTING POLICIES (continued)

Management and administration

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	2002 £	2001 £
Registration fees	750	975
Hire of school facilities	14,078	10,384
Sundry income	<u>27,403</u>	<u>25,386</u>
	<u>42,231</u>	<u>36,745</u>
3 NET INCOMING RESOURCES	2002 £	2001 £
This is stated after charging/(crediting):		
Direct charitable expenditure includes:		
Loss on sale of fixed assets	-	1,894
Depreciation	38,679	22,350
Auditors' remuneration	3,642	3,525
Hire of equipment	<u>-</u>	<u>893</u>
4 STAFF COSTS	2002 £	2001 £
Wages and salaries	771,493	712,704
Social security costs	54,433	52,524
Pension contributions	38,020	32,902
Benefits in kind	<u>2,007</u>	<u>3,509</u>
	<u>865,953</u>	<u>801,639</u>
The number of employees with emoluments exceeding £50,000 fell within the following bands:	2002 No	2001 No
£50,000 - £60,000	<u>1</u>	<u>-</u>
The average number of employees during the year was:	2002 No	2001 No
Teaching: Full time	21	21
Part time	5	4
Domestic	11	11
Administration	<u>7</u>	<u>7</u>
	<u>44</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 2002 (continued)

5	RESOURCES EXPENDED	Staff costs £	Other costs £	Depreciation £	2002 Total £	2001 Total £
	Charitable activities					
	Teaching costs	567,715	100,159	-	667,874	607,839
	Welfare costs	55,336	89,337	11,617	156,290	147,380
	Premises costs	79,696	132,935	16,806	229,437	196,616
	Support costs	<u>160,524</u>	<u>31,158</u>	<u>10,256</u>	<u>201,938</u>	<u>168,294</u>
		863,271	353,589	38,679	1,255,539	1,120,129
	Management and administration	<u>675</u>	<u>4,997</u>	<u>-</u>	<u>5,672</u>	<u>4,980</u>
		<u>863,946</u>	<u>358,586</u>	<u>38,679</u>	<u>1,261,211</u>	<u>1,125,109</u>

6 TANGIBLE FIXED ASSETS

	Assets under construction £	Freehold land and buildings £	Short leasehold land and buildings £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation							
At 1st September 2001	802,504	1,095,790	5,000	79,328	236,599	62,909	2,282,130
Additions	31,556	-	-	-	-	-	31,556
Transfer	<u>(834,060)</u>	<u>834,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st August 2002	<u>-</u>	<u>1,929,850</u>	<u>5,000</u>	<u>79,328</u>	<u>236,599</u>	<u>62,909</u>	<u>2,313,686</u>
Depreciation							
At 1st September 2001	-	-	2,335	32,857	168,366	62,909	266,467
Charge for the year	<u>-</u>	<u>16,681</u>	<u>125</u>	<u>11,617</u>	<u>10,256</u>	<u>-</u>	<u>38,679</u>
At 31st August 2002	<u>-</u>	<u>16,681</u>	<u>2,460</u>	<u>44,474</u>	<u>178,622</u>	<u>62,909</u>	<u>305,146</u>
Net book value							
At 31st August 2002	<u>-</u>	<u>1,913,169</u>	<u>2,540</u>	<u>34,854</u>	<u>57,977</u>	<u>-</u>	<u>2,008,540</u>
At 31st August 2001	<u>802,504</u>	<u>1,095,790</u>	<u>2,665</u>	<u>46,471</u>	<u>68,233</u>	<u>-</u>	<u>2,015,663</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 historical cost of the freehold land and buildings is £418,937.

7	STOCK	2002 £	2001 £
	Goods for resale	<u>2,349</u>	<u>2,383</u>
8	DEBTORS	2002 £	2001 £
	Fees	9,102	146
	Other debtors	5,212	12,229
	Prepayments and accrued income	<u>14,084</u>	<u>8,384</u>
		<u>28,398</u>	<u>20,759</u>

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002 (continued)

9 CREDITORS: Amounts falling due within one year	2002 £	2001 £
Trade creditors	87,464	119,753
Other taxes and social security costs	16,733	15,989
Other creditors	6,666	5,926
Loan from Moon Hall School	58,000	58,000
Accruals	<u>3,703</u>	<u>6,486</u>
	<u>172,566</u>	<u>206,154</u>

The loan from Moon Hall is unsecured, interest-free and repayable on demand.

10 UNRESTRICTED FUNDS	Balance at 1.9.01 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.8.02 £
Income and Expenditure	(506,944)	1,532,211	1,257,971	7,123	(225,581)
Revaluation Reserve	<u>676,853</u>	-	-	-	<u>676,853</u>
General Reserves	169,909	1,532,211	1,257,971	7,123	451,272
Designated Fund for Fixed Assets	<u>2,015,663</u>	-	-	(7,123)	<u>2,008,540</u>
	<u>2,185,572</u>	<u>1,532,211</u>	<u>1,257,971</u>	<u>-</u>	<u>2,459,812</u>

11 RESTRICTED FUNDS	Balance at 1.9.01 £	Incoming resources £	Resources expended £	Balance at 31.8.02 £
Friends of Belmont	-	<u>3,240</u>	<u>3,240</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.

12 TOTAL ASSETS LESS CURRENT LIABILITIES	Fixed assets £	Net current assets £	2002 Total £
Unrestricted Funds	2,008,540	451,272	2,459,812
Restricted Funds	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,008,540</u>	<u>451,272</u>	<u>2,459,812</u>

BELMONT SCHOOL (FELDEMORE) EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002 (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 £300.

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 three of Belmont's Governors were also Governors of Moon Hall.

16 CONTRACTS

The School is committed to repair works of £50,000 at the year end.

17 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 cost of pension increases is excluded from the valuation and consequently neither teachers nor employers contribute to this added value, which is met directly by the Exchequer. The most recent review of the Scheme, covering the 5 years ended 31st March 1996, was published in June 1999, and showed liabilities of £65,670 million compared with assets of £61,710 million.

The Government Actuary concluded, in his supplementary report of March 2000, that the deficiency of £3,960 million could be eliminated by supplementary contributions from employers of 0.4% of pay from 1st April 2000 to 31st March 2002, and of 1.35% from 1st April 2002 to 31st March 2040. The School contributed 7.2% of pensionable salaries to the scheme until 31st March 2000, when the rate was increased to 7.4%.