

871641

HORDLE WALHAMPTON SCHOOL TRUST LIMITED  
(FORMERLY KNOWN AS WALHAMPTON SCHOOL)

A Company Limited by Guarantee

FINANCIAL STATEMENTS

31 AUGUST 1998



MacIntyre & Co  
Chartered Accountants  
Registered Auditors

Charity No: 307330  
Company No: 871641

HORDLE WALHAMPTON SCHOOL TRUST LIMITED

Principal: A G Gobat (Resigned 31 December 1997)

Head Master: R H C Phillips

Bursar and Secretary to the Governors: J S Page (Resigned 31 December 1998)  
K Whiteman (Consultant Bursar appointed 1 January 1999)

Address: Hordle Walhampton School Trust Limited  
Lymington  
Hampshire SO41 5ZG

Bankers: Lloyds Bank Plc  
8/12 Blakey Road  
Salisbury  
Wiltshire SP1 2LP

Solicitors: Wilsons  
93 Crane Street  
Salisbury  
Wiltshire SP1 2PZ

Auditors: MacIntyre & Co  
Chartered Accountants  
Registered Auditors  
28 Ely Place  
London  
EC1N 6RL

## REPORT OF THE GOVERNING BODY

**GOVERNORS**

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

R J Gould (Chairman)	(Appointed 30 November 1997)
R Montagu (Vice Chairman)	
Mrs. A M Beeby	(Resigned 17 November 1997)
Mrs P Butler	(Appointed 7 January 1998)
Dr David J Ceiriog-Hughes	(Appointed 13 June 1998)
Commander M J Chamberlain	(Resigned 14 November 1997)
Mr M Corbridge (Chairman of Finance)	(Appointed 7 January 1998)
Mrs C Dipple	
Mrs J Dixon-Clegg	(Resigned 14 November 1998)
N Henley	(Resigned 14 November 1997)
P Jackson	
Brigadier J C L King	(Appointed 6 March 1998)
Mr C Knox	(Appointed 7 January 1998)
W M Lindsell	(Resigned 17 November 1997)
N Munro	(Appointed 6 March 1999)
Sir Wilfrid Newton CBE	(Resigned 6 March 1998)
The Hon E Page	(Appointed 6 March 1999)
Mrs V Roberts	(Appointed 7 January 1998)
J Sabben-Clare	(Resigned 12 June 1998)
The Hon P Seely	(Appointed 6 March 1999)
T J R Sheldon	(Resigned 22 January 1998)
Mrs O J Soper	(Resigned 17 November 1997)
M Spens	(Resigned 6 January 1998)
N Talbot-Rice	
T D Wheare	(Resigned 6 January 1998)

REPORT OF THE GOVERNING BODY (Continued)

The Governors present their report together with the audited financial statements for the year ended 31 August 1998.

**STATUS AND ADMINISTRATION**

*The company is a charitable trust registered with the Charity Commission number 309101. The governors determine the general policy of the school. The day to day management of the school is delegated to the Headmaster and the Bursar.*

The company guaranteed to underwrite the liabilities of Hordle House School Trust Limited

**OBJECTS**

The objects of the company are the advancement of education providing boarding and day co-educational schooling for pupils between the ages of 2½ and 13. The School has a Preparatory Department and a Pre-Preparatory Department.

**ORGANISATION**

Accordingly, the Governing Body has power to decide matters of School policy and to make major decisions affecting the affairs of the School. It is specifically required to determine the tuition fees and to take responsibility for the School buildings and equipment.

To enable matters to be considered in detail prior to meetings of the full Governing Body, a Finance and General Purpose Committee and an Estates Committee have been established. Implementation of Governing Body decisions is the responsibility of the Headmaster on the academic side and of the Bursar on the business side of the School.

**Management Board**

The Headmaster, and the Bursar, form the Management Board. The Management Board undertakes the general and administrative management of the School and attend all Governors meetings.

**The Senior Management Team**

This consists of the Headmaster, the Head of the Pre-Prep Department, the Head of the Junior Department, the Head of Common Room, the Director of Activities, and the Bursar.

**AIMS AND ETHOS**

All children have talents; at Hordle Walhampton we provide the environment in which those talents can grow. Our aim is to cultivate the intellectual, cultural, spiritual, social, and physical faculties of our children, empowering each child to achieve his or her optimum potential.

## REPORT OF THE GOVERNING BODY (Continued)

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

Company law and laws applicable to charities in England & Wales require the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
- 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 and applicable Charity law. 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.

**REVIEW OF FINANCIAL ACTIVITIES**

Following the amalgamation of Hordle House and Walhampton School in January 1997 the single school commenced operations on the Walhampton site in September 1998.

In comparing the results it should be taken into account that the results for 1997 comprise of 12 months of Walhampton School and 8 months of Hordle House School as opposed to the 1998 results which include 12 months results of the merged entity called Hordle Walhampton School.

The net movement in funds for the year amounted to £(40,307) (1997 - £1,167,721). Income is lower than last year as a result of a change in the fee structure to accommodate the merger of both schools, lower pupil numbers in this year resulting from differing views from parents over the merger, and no donations were received in the year. Expenditure however is lower than last year despite increases in teaching costs resulting from a planned higher teacher to pupil ratio. The merger has resulted in substantial savings in Welfare, Premises and Support costs. Management and Administration costs are higher due to anticipated additional professional costs being incurred which is normal in a year following merger. Further exceptional costs were incurred in relation to the restructuring programme.

The Hordle House property previously valued at £1,200,000 was sold in the year and realised £1,313,638. This resulted in a realised gain on investment of £113,638. Last year the Hordle House property was revalued to £1,200,000 which resulted in an unrealised gain of £276,823 and a gift from Hordle House School of £879,841 was received as part of the merger.

The proceeds from sale of the Hordle House property have been reinvested in improving the schools buildings and facilities. In the year £516,639 (1997: £103,141) was spent on capital expenditure mainly on three projects, the prep extension, the new Science Lab/Junior Classrooms and the commencement of the Arts Centre building. In addition there have been considerable renovation of boarding accommodation and the library.

REPORT OF THE GOVERNING BODY (Continued)

**FUTURE DEVELOPMENTS**

The school intends to continue to spend the proceeds of the sale of the Hordle House School site on improving the facilities of the school.

**YEAR 2000**

A feasibility study has not yet been undertaken. It is anticipated the completion of the study and any necessary action will be completed by 31 December 1999.

**CONNECTED CHARITIES**

Details of connected charities are disclosed in note 23 of the financial statements.

**ASSET COVER FOR FUNDS**

Note 16 to the financial statements sets out an analysis of the School's assets attributable to the various funds. These assets are sufficient to meet the schools obligations on a fund by fund basis.

**AUDITORS**

The auditors MacIntyre & Co have expressed their willingness to continue in office and a resolution to re-appoint them will be submitted to the Annual General Meeting of the Corporation.

By order of the Governing Body

Lymington  
Hampshire  
S041 5ZG



R J Gould  
Chairman of Governors

*10 May* 1999

## HORDLE WALHAMPTON SCHOOL TRUST LIMITED

We have audited the financial statements on pages 6 to 21 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 11 to 12.

## RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As described on page 3 you are responsible as Governors for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

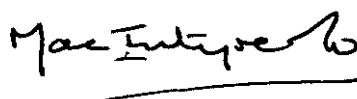
## BASIS OF OPINION

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 in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 an 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 charitable company's state of affairs as at 31 August 1998 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.



MacIntyre & Co  
Chartered Accountants  
Registered Auditors

28 Ely Place  
London  
EC1N 6RL

10 May 1999

HORDLE WALHAMPTON SCHOOL TRUST LIMITED  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 1998

Page 6

	Notes	Unrestricted Funds School £	Designated £	Total 1998 £	Total 1997 £
<b>INCOMING RESOURCES</b>					
Fees receivable	1	1,541,138	-	1,541,138	1,728,539
Other tuition		146,795	-	146,795	144,116
Bank and other interest	7	41,229	-	41,229	20,421
Sundry other income	2	51,929	-	51,929	40,917
Donations		-	-	-	217,885
Total Incoming Resources		1,781,091	-	1,781,091	2,151,878
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure					
Teaching		1,054,026	-	1,054,026	982,790
Welfare		223,771	-	223,771	337,530
Premises		274,662	-	274,662	385,922
Support costs		151,602	-	151,602	180,799
		1,704,061	-	1,704,061	1,887,041
Other expenditure					
Management and administration of the Charity		47,474	-	47,474	27,639
Fundraising and publicity		33,057	-	33,057	12,139
Finance and other costs	8	4,268	-	4,268	4,452
Exceptional costs	9	146,176	-	146,176	209,550
Total Resources Expended	5	1,935,036	-	1,935,036	2,140,821
Net (outgoing)/incoming resources		(153,945)	-	(153,945)	11,057
Realised gain		113,638	-	113,638	-
Unrealised gain	10	-	-	-	276,823
Gift from Hordle House School	19	-	-	-	879,841
Net (outgoing)/incoming resources before transfers		(40,307)	-	(40,307)	1,167,721
Transfers between funds		(10,500)	10,500	-	-
<b>NET MOVEMENT IN FUNDS</b>		(50,807)	10,500	(40,307)	1,167,721
At 1 September 1997		2,242,784	169,984	2,412,768	1,245,047
<b>BALANCE CARRIED FORWARD AT 31 August 1998</b>		£2,191,977	£180,484	£2,372,461	£2,412,768

The notes on pages 11 to 21 form part of these financial statements.



## INCOME AND EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1998

	Notes	£	1998 £	£	1997 £
TURNOVER					
Continuing		1,739,862		1,600,605	
Merger		-		530,852	
			1,739,862		2,131,457
Less: Operating expenditure			(1,930,768)		(2,136,369)
Operating (deficit)					
- Continuing		(190,906)		32,325	
- Merger		-		(37,237)	
			(190,906)		(4,912)
Bank and other interest received	7		41,229		20,421
Surplus on sale of investments			113,638		-
Finance and other costs	8		(4,268)		(4,452)
(Deficit)/Surplus for the year			£(40,307)		£ 11,057

## STATEMENT OF RECOGNISED GAINS AND LOSSES

		1998 £	1997 £
(Deficit)/Surplus for the year		(40,307)	11,057
Unrealised gain	10	-	276,823
Gift from Hordle House School	19	-	879,841
		£(40,307)	£1,167,721

The notes on pages 11 to 21 form part of these financial statements.

## BALANCE SHEET

AS AT 31 AUGUST 1998

	Notes	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible	11	1,671,263		1,207,913	
Other investments	10	-		1,200,000	
			1,671,263		2,407,913
<b>CURRENT ASSETS</b>					
Debtors	12	79,492		121,236	
Cash at bank and in hand		916,887		193,437	
			996,379		314,673
CREDITORS: Amounts falling due within one year	13	(270,181)		(284,818)	
NET CURRENT ASSETS			726,198		29,855
TOTAL ASSETS LESS CURRENT LIABILITIES			2,397,461		2,437,768
CREDITORS: Amounts falling due after one year	15		(25,000)		(25,000)
NET ASSETS	17		£2,372,461		£2,412,768
<b>REPRESENTED BY:</b>					
Unrestricted Funds	17		£2,372,461		£2,412,768

Approved by the Governing Body on *10 May* 1999.

R J Gould



) Chairman of the  
) Governing Body

M Corbridge



) Chairman of the Finance and  
) General Purposes Committee

The notes on pages 11 to 21 form part of these financial statements.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 1998

	£	1998	£	£	1997	£
<b>Net (outgoing)/incoming resources</b>						
<b>Per statement of financial activities</b>	(40,307)			11,057		
Capital donation	-			(60,000)		
Depreciation	38,948			42,765		
Deficit on sale of fixed assets	14,341			-		
Surplus on sale of investments	(113,638)			-		
Bank and other interest	(41,229)			(20,421)		
Finance costs	4,268			4,452		
Decrease/(Increase) in debtors	41,744			(64,711)		
Increase in creditors	1,285			160,335		
<b>Cash flow from operating activities</b>		(94,588)			73,477	
<b>Returns on investments and servicing of finance</b>						
Bank and other interest received	41,229			20,421		
Finance costs	(4,268)			(4,452)		
		36,961			15,969	
		(57,627)			89,446	
<b>Capital expenditure and financial investment</b>						
Purchase of tangible fixed assets	(516,639)			(103,141)		
Proceeds from sale of investments	1,313,638			-		
Capital donation	-			60,000		
Assets acquired on merger	-			937,183		
Gift from Hordle House School	-			879,841		
		796,999			(100,483)	
<b>Net cash flow before use of liquid resources and financing</b>		739,372			(11,037)	
<b>Financing</b>						
Debt due within one year	(15,000)			-		
Debt due beyond one year	-			-		
Capital element of finance lease and hire purchase payments	(922)			(7,084)		
		(15,922)			(7,084)	
<b>Increase/(Decrease) in cash in period</b>		£723,450			£ (18,121)	

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 1998

## ANALYSIS OF CHANGES IN NET RESOURCES

	At 1 September 1997 £	Cash Flows £	Other Changes £	At 31 August 1998 £
Cash in hand, at bank	193,437	723,450	-	916,887
Net debt due within one year	(15,000)	15,000	-	-
Net debt due after one year	(25,000)	-	-	(25,000)
Finance leases and hire purchase obligations	(922)	922	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£152,515	£739,372	£ -	£891,887
	<hr/>	<hr/>	<hr/>	<hr/>

## Reconciliation of net cash flow to movements in net resources

	1998 £	1997 £
Increase/(decrease) in cash in the period	723,450	(18,121)
Cash outflow from decrease in debt and finance obligations	15,922	7,084
	<hr/>	<hr/>
Change in net resources resulting from cash flows	739,372	(11,037)
Net resources at 1 September 1997	152,515	163,552
	<hr/>	<hr/>
Net resources at 31 August 1998	£891,887	£152,515
	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 AUGUST 1998

The accounts of the Trust are prepared in accordance with The Charities (Accounts and Reports) Regulation 1995, the Statement of Recommended Practice "Accounting by Charities" and with applicable accounting standards. The particular accounting policies adopted are described below.

## ACCOUNTING POLICIES

- a. **Accounting Convention**  
The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.
- b. **Fees and Similar Income**  
Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school.
- c. **Donations**  
Donations received for the general purposes of the School are credited to unrestricted funds. Donations subject to specific wishes of the donors are credited to restricted funds, or to endowed funds where the amount is required to be held as permanent capital.
- d. **Expenditure**  
Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.
- e. **Leases**  
Assets held under finance leases and hire purchase contracts are capitalised in accordance with the above fixed asset policy and depreciated over their useful lives appropriately.

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

- f. **Depreciation:**  
Depreciation is provided on permanent buildings at one percent per annum after allowing for estimated cost of land included in the original purchase (£10,000) and residual value of the property, estimated at forty-five percent of the cost of permanent buildings.

Depreciation is provided on other fixed assets to write off their cost over estimated useful lives at the following rates:

Freehold buildings of non permanent construction	- 4% or 2% on cost according to category
Furniture, fittings and equipment	
- excluding computers	- 5% on cost
- computers	- 25% on cost
Motor vehicles	- 20% on cost
Garden machinery and improvements	- 12½% on written down value

Capital assets donated to the School are capitalised in fixed assets and are credited to the income and expenditure account.

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

g. Pensions

The School contributes to defined benefit schemes on behalf of teachers and support staff. The costs are charged to the income and expenditure account in the year to which they relate.

h. Investments

Investments are carried at market value in accordance with the Charities (Accounts and Reports) Regulations 1995.

i. Unrestricted Fund

General Fund

The surplus from normal School activities, and unrestricted donations are transferred to the General Fund.

j. Unrestricted - Designated Fund

Pension Fund

The pension fund is maintained by transfers from revenue account. The fund may be used to grant gratuitous pensions or retirement gratuities to employees.

Sports Hall Development Fund

A donation of £150,000 received in 1997 was allocated towards the Sports Hall Development Fund by the Governors after consulting the donor. Each year there is a transfer from the General Fund of notional interest at 7% of the unspent balance.

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

1. FEES RECEIVABLE	1998 £	1997 £
Fees receivable consist of:		
Gross fees	1,712,041	1,884,530
Less: Scholarships	34,628	37,267
Bursaries - 3% allocation	43,375	28,681
- other	19,163	16,661
Staff allowances	64,547	64,365
Other discount	9,190	9,017
	<hr/>	<hr/>
	£1,541,138	£1,728,539
	<hr/>	<hr/>

The bursaries represent 3% of fee income (excluding pre-preparatory school) which is paid to the Walhampton School Bursary Trust, a connected charity which in return provided bursaries of £39,524 (1997: £26,240) to parents in order that they could educate their children at Hordle Walhampton School. The Walhampton School JB & PL Appeal Trust also provided bursaries of £6,393 (1997: £6,392) to parents in order that they could educate their children at Hordle Walhampton School.

2. SUNDRY OTHER INCOME	1998 £	1997 £
Letting rentals	38,367	38,377
Surplus on disposal of Hordle House fixtures	7,489	-
Other	6,073	2,540
	<hr/>	<hr/>
	£ 51,929	£ 40,917
	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

3. SALARIES AND WAGES	1998 £	1997 £
Salaries	1,061,584	1,098,189
National Insurance Contributions	81,864	82,618
Pension costs	48,985	68,484
	<hr/>	<hr/>
	£1,192,343	£1,249,291
	<hr/>	<hr/>
Compensation for loss of office	£100,000	£ -
	<hr/>	<hr/>

The average weekly number of employees during the period was made up as follows:

	1998 No	1997 No
Teaching	35	45
Other	23	34
	<hr/>	<hr/>
	58	79
	<hr/>	<hr/>

The number of employees whose emoluments exceeded £40,000 per annum were:

	1998	1997
£40,001 - £50,000	1	1
£120,000 - £130,000	1	-
	<hr/>	<hr/>

No governors received remuneration during the year.



## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

## 3. SALARIES AND WAGES (Continued)

## Pension Schemes

The teaching staff are members of the Department for Education Superannuation Scheme which is a defined benefits scheme. The Department instructs the School as to the level of employees' contribution, currently 6% and employers' contribution 7.2%, which the School is obliged to make, but the School does not have any commitment to make good an actuarial deficit, nor is it entitled to benefit from surplus funding.

The support staff are members of either the IAPS Pension Scheme which is a defined contribution scheme; the school contributes 7% and the employees contribute between 2% to 15%; or the Hordle House Pension Scheme; a money purchase scheme where the school contributes 9.45% and the employees contribute at least 5%.

4. EXPENDITURE	1998 £	1997 £
Expenditure includes:		
Auditors' remuneration		
- for audit	14,100	12,925
- for other services	7,441	20,798
Operating lease rentals	12,636	16,137
Governors liability insurance	125	856
Governors expenses reimbursed	1,533	1,250
Depreciation		
- Owned fixed assets	38,948	38,396
- Finance leased fixed assets	-	4,369
Deficit on sale of tangible fixed assets	14,341	-
5. ANALYSIS OF TOTAL RESOURCES EXPENDED		

	Staff Costs £	Other £	Depreciation £	Total £
Direct charitable expenditure:				
Teaching	915,466	138,560	-	1,054,026
Welfare	51,629	172,142	-	223,771
Premises	131,320	104,394	38,948	274,662
Support costs	83,928	67,674	-	151,602
	<u>1,182,343</u>	<u>482,770</u>	<u>38,948</u>	<u>1,704,061</u>
Other expenditure				
Management and administration of the Charity	10,000	37,474	-	47,474
Fundraising and Publicity	-	33,057	-	33,057
Finance and other costs	-	4,268	-	4,268
Exceptional costs	100,000	46,176	-	146,176
	<u>£1,292,343</u>	<u>£603,745</u>	<u>£ 38,948</u>	<u>£1,935,036</u>

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

## 6. TAXATION

No taxation liability arises on the results for the year because of the charitable status of the School.

7. BANK AND OTHER INTEREST	1998 £	1997 £
Bank deposits	41,229	17,727
Other	-	2,694
	<hr/>	<hr/>
	£ 41,229	£ 20,421
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8. FINANCE AND OTHER COSTS	1998 £	1997 £
Bank overdraft	3,322	2,667
Loan from connected charity	900	1,350
Hire purchase	46	435
	<hr/>	<hr/>
	£ 4,268	£ 4,452
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## 9. EXCEPTIONAL COSTS

The exceptional costs relate to further restructuring of the company following the merger.

10. OTHER INVESTMENT	1998 £	1997 £
Property:		
At 1 September 1997	1,200,000	-
Acquisition on merger	-	923,177
Disposal	(1,200,000)	-
Unrealised gain	-	276,823
	<hr/>	<hr/>
At 31 August 1998	£ -	£1,200,000
	<hr/>	<hr/>
Property:		
At cost	£ -	£923,177
	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

11. FIXED ASSETS	Freehold Land £	Buildings £	Furniture Fittings & equipment £	Motor & garden equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 September 1997	10,000	1,286,667	148,463	148,520	1,593,650
Additions	-	486,953	14,321	15,365	516,639
Disposal	-	-	-	(20,386)	(20,386)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1998	10,000	1,773,620	162,784	143,499	2,089,903
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>					
At 1 September 1997	-	172,550	105,778	107,409	385,737
Charge for year	-	12,356	14,322	12,270	38,948
Disposal	-	-	-	(6,045)	(6,045)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1998	-	184,906	120,100	113,634	418,640
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 August 1998	£ 10,000	£1,588,714	£ 42,684	£ 29,865	£1,671,263
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1997	£ 10,000	£1,114,117	£ 42,685	£ 41,111	£1,207,913
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The fixed assets under construction amount to £83,456 (1997 - £19,861) which have not been depreciated.

The net book value at 31 August 1998 represents fixed assets used for:	Freehold Land £	Property £	Furniture Fittings & Equipment £	Motor & Garden Equipment £	Total £
Direct Charitable purposes	10,000	1,528,714	42,684	29,865	1,611,263
Other purposes	-	60,000	-	-	60,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£ 10,000	£1,588,714	£ 42,684	£ 29,865	£1,671,263
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The other purposes relates to the Adventure Centre in Mull to be used to generate letting income for the benefit of the school.

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

12. DEBTORS	1998 £	1997 £
Trade debtors	52,457	68,773
Tax recoverable	-	36,000
Other debtors	1,134	3,458
Prepayments	25,901	13,005
	<hr/>	<hr/>
	£ 79,492	£121,236
	<hr/>	<hr/>
13. CREDITORS: Amounts falling due within one year	1998 £	1997 £
Trade creditors	56,374	-
Connected Charity loan (note 14)	-	15,000
Hire purchase obligations	-	922
Fees received in advance	48,946	35,757
Deposits	16,059	23,648
Tax and social security	24,338	31,943
Other creditors	6,949	17,422
Accruals	117,515	160,126
	<hr/>	<hr/>
	£270,181	£284,818
	<hr/>	<hr/>
14. CONNECTED CHARITY LOAN		
This is a loan to the School repayable on demand and comprise:-	1998 £	1997 £
Walhampton School JB & PL Appeal Trust	£ -	£ 15,000
	<hr/>	<hr/>

Interest is payable on this loan at a rate agreed annually with the trustees of the trust.

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

15. CREDITORS: Amounts falling due after one year	1998 £	1997 £
Unsecured private loan	<u>£ 25,000</u>	<u>£ 25,000</u>

The unsecured loan is repayable on demand in the event of the closure of the School and is interest free.

## 16. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

	Fixed Assets £	Investments £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted Funds					
- General	1,671,263	-	545,714	(25,000)	2,191,977
- Sports Hall development	-	-	160,500	-	160,500
- Pension	-	-	19,984	-	19,984
	<u>£1,671,263</u>	<u>£ -</u>	<u>£726,198</u>	<u>£(25,000)</u>	<u>£2,372,461</u>

## NOTES TO THE ACCOUNTS (Continued)

## YEAR ENDED 31 AUGUST 1998

17. UNRESTRICTED FUNDS	Balance 1 September 1997 £	Incoming Resources £	Resources Expended £	Realised Gains and Transfers £	Balance 31 August 1998 £
General fund	2,242,784	1,781,091	(1,935,036)	103,138	2,191,977
Pension fund	19,984	-	-	-	19,984
Designated - Sports Hall Development Fund	150,000	-	-	10,500	160,500
	<u>£2,412,768</u>	<u>£1,781,091</u>	<u>£(1,935,036)</u>	<u>£113,638</u>	<u>£2,372,461</u>

A transfer of £10,500 from General Fund to the Sports Hall Fund represents notional interest of 7% on the unspent fund.

18. SPORTS HALL DEVELOPMENT FUND	1998 £	1997 £
Balance at 1 September 1997	150,000	-
Donations	-	150,000
Notional interest (7%)	10,500	-
	<u>£160,500</u>	<u>£150,000</u>

The development fund has raised income of £160,500 date.

In the event that sufficient income is not raised, or surplus income arising after the completion of the Sports Hall Development, the monies may be applied towards the general charitable activities of the company.

## 19. GIFT FROM HORDLE HOUSE SCHOOL

On 6 January 1997 the following assets were donated to the company from Hordle House School Trust Limited.

	1998 £	1997 £
Fixed assets	-	14,006
Fixed other investments	-	923,177
Net current liabilities	-	(57,342)
	<u>£ -</u>	<u>£879,841</u>

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

## 20. OPERATING LEASE COMMITMENTS

	Equipment	
	1998	1997
	£	£
At 31 August 1998 the school had the following annual commitments under non-cancellable operating leases:		
Within one year	£ 1,367	£ 1,137
Two to five years	£ 11,269	£ 14,410
	<hr/>	<hr/>

## 21. CAPITAL COMMITMENTS

There were capital commitments of approximately £120,043 authorised and contracted out at 31 August 1998 (1997 £398,525).

## 22. RELATED PARTY TRANSACTIONS

A number of governors of the school also act as trustees for the Walhampton School Bursary Trust, Walhampton School JB & PL Appeal Trust and Hordle House School Trust Limited.

Transactions with these entities include:

	1998	1997
	£	£
<b>Walhampton School Bursary Trust</b>		
Fee allocation paid	(43,375)	(28,681)
Bursaries received	39,524	26,240
	<hr/>	<hr/>
<b>Walhampton School JB &amp; PL Appeal Trust</b>		
Bursaries received	6,393	6,392
Loan interest paid	(900)	(1,350)
Loan payable	-	15,000
Loan repaid	(15,000)	-
	<hr/>	<hr/>
<b>Hordle House School Trust Limited</b>		
Gift received	-	879,841
	<hr/>	<hr/>

## 23. CONNECTED CHARITIES

The Walhampton School Bursary Trust (Charity number 273270) and Walhampton School JB & PL Appeal Trust (Charity number 289075) are connected charities of the company.