

THE FREWEN EDUCATIONAL TRUST LIMITED

FINANCIAL STATEMENTS

31ST AUGUST 2001

Registered Number : 924280

RUSSELL NEW

CHARTERED ACCOUNTANTS



THE FREWEN EDUCATIONAL TRUST LIMITED

COMPANY INFORMATION

31st August 2001

DIRECTORS	J B M Frewen di Tuttavilla Mrs F Kelly J R Maudslay T J Millington-Drake Mrs C A Rowsell
SECRETARY	Mrs C A Rowsell
REGISTERED OFFICE	Brickwall House Northiam Rye East Sussex TN31 6NL
REGISTERED NUMBER	924280
CHARITY NUMBER	307019
BANKERS	National Westminster Bank Plc 85 High Street Rye East Sussex TN31 7JS Woolwich Building Society 26 Queens Road Hastings East Sussex TN34 1QY
AUDITORS	Russell New Chartered Accountants The Courtyard Beeding Court Steyning West Sussex BN44 3TN

THE FREWEN EDUCATIONAL TRUST LIMITED

FINANCIAL STATEMENTS

for the year ended 31st August 2001

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THE FREWEN EDUCATIONAL TRUST LIMITED

REPORT OF THE GOVERNORS

31st August 2001

The Governors present their report and the audited financial statements for the year ended 31st August 2001.

Objects

The objects of the company are that of an Independent Boys' School, known as Frewen College, for boys with dyslexia. The aim of the school is to become a centre of excellence for the nurturing of dyslexics.

Review of the business

A summary of the results of the trading for the year is given on page 4 of the financial statements. The school has a policy of offering some bursary help to selected pupils. The governors consider the state of affairs to be satisfactory.

Results and dividends

The surplus of the company for the year was £19,259, (2000 - £168,508 deficit). The Governors recommend that this be added to the retained earnings at the beginning of the period and that the positive balance of £61,807 be carried forward.

Fixed assets

Changes in fixed assets during the year are set out in note 9 to the financial statements.

Governors

The Governors of the company during the year were as follows:-

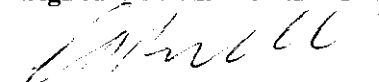
J B M Frewen (Director)
S Horsley
Mrs F Kelly (Director)
J R Maudslay (Director)
T J Millington-Drake (Director)
Mrs C A Rowsell (Director)
Mrs M Squires (resigned 20 October 2000)
X Mrs S Wood (appointed 20 October 2000)

Auditors

Russell New will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

Signed on behalf of the Governors:


Mrs C A Rowsell - Secretary

Approved by the Board on: 8 March 2002

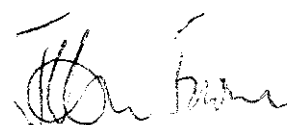
THE FREWEN EDUCATIONAL TRUST LIMITED
STATEMENT OF GOVERNORS' RESPONSIBILITIES

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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and 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.
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements.

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.

On behalf of the board



J B M Frewen Esq
Chairman

8 March 2002

**THE FREWEN EDUCATIONAL TRUST LIMITED
AUDITORS' REPORT**

**Report of the Auditors to the members of
The Frewen Educational Trust Limited**

We have audited the financial statements on pages 4 to 6 which have been prepared under the accounting policies set out on page 6. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain assets) and the accounting policies set out therein.

Respective responsibilities of Governors and Auditors

As described on page 2, the company's Governors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 Governors' remuneration and transactions with the company has not been disclosed.

We read the Report of the Governors and consider the implications for our report if we become aware of any misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the 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 error or other irregularity. 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 2001 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 provisions of the Companies Act 1985.

Russell New
RUSSELL NEW

CHARTERED ACCOUNTANTS

The Courtyard

Beeding Court

Steyning

West Sussex BN44 3TN

REGISTERED AUDITORS

18/3/02

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2001

SUMMARY INCOME & EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds		Restricted Funds		2001 Total	2000 Total
		General Funds	Other	Revaluation Reserve	Henry Smith Fund		
		School					
INCOMING RESOURCES							
Fees		1,121,949	0	0	0	1,121,949	1,040,257
Sundry Income	6	34,361	0	0	54,000	88,361	23,580
Total Incoming Resources		1,156,310	0	0	54,000	1,210,310	1,063,837
RESOURCES USED							
Direct Charitable Expenditure:							
Teaching Costs		853,467	0	0	15,219	868,686	821,297
Welfare		88,569	0	0		88,569	95,579
Premises		83,530	0	0	4,300	87,830	113,641
Bursaries and Allowances		10,754	0	0		10,754	12,289
		1,036,320	0	0	19,519	1,055,839	1,042,806
Other Expenditure:							
Management and Administration of the charity		0	136,120	0	12,552	148,672	149,023
Finance Costs		(36,531)	0	0	0	(36,531)	16,756
Total Resources Expended		999,789	136,120	0	32,071	1,167,980	1,208,585
OPERATING SURPLUS/(DEFICIT)	3	156,521	(136,120)	0	21,929	42,330	(144,746)
Investment Income	5	75	0	0	0	75	2,739
Interest Payable	7	23,146	0	0	0	23,146	(26,501)
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION		133,450	(136,120)	0	21,929	19,259	(168,508)
Taxation	8	0	0	0	0	0	0
NET SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAXATION		133,450	(136,120)	0	21,929	19,259	(168,508)

STATEMENT OF OTHER RECOGNISED GAINS

Net Surplus/(Deficit) for the Year After Taxation	133,450	(136,120)	0	21,929	19,259	(168,508)
Unrealised profit on investments	2,176	0	0	0	2,176	0
Transfer of depreciation on revalued freehold property	7,374	0	(7,374)	0	0	0
Realised gain on disposal of freehold property	70,890	0	(70,890)	0	0	0
TOTAL GAINS AND LOSSES FOR THE YEAR	213,890	(136,120)	(78,264)	21,929	21,435	(168,508)

RESERVE SUMMARY

Retained (Deficit)/Surplus Brought Forward	(15,963)	0	653,901	0	637,938	806,446
Transfer between Reserves	(136,120)	136,120	0	0	0	0
Retained (Deficit)/Surplus Brought Forward	(152,083)	136,120	653,901	0	637,938	806,446
Total Gains and Losses for the Year	213,890	(136,120)	(78,264)	21,929	21,435	(168,508)
Retained Surplus Carried Forward	61,807	(0)	575,637	21,929	659,373	637,938

The notes form part of these financial statements

THE FREWEN EDUCATIONAL TRUST LIMITED

BALANCE SHEET

at 31st August 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	9	1,147,839	1,288,656
Investments	11	2,178	2
		<u>1,150,017</u>	<u>1,288,658</u>
Current assets			
Debtors	12	163,830	85,975
Cash at bank and in hand		42,166	1,593
		<u>205,996</u>	<u>87,568</u>
Creditors: amounts falling due within one year	13	(696,640)	(738,288)
Net current liabilities		<u>(490,644)</u>	<u>(650,720)</u>
Total assets less current liabilities		<u>659,373</u>	<u>637,938</u>
Capital and reserves			
Revaluation reserve		575,637	653,901
Other reserves		21,929	-
Profit and loss account		61,807	(15,963)
Total funds		<u>659,373</u>	<u>637,938</u>

These financial statements have been prepared in accordance with Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements on pages 4 to 6 were approved by the board of Governors

on 8 March 2002



J B M Frewen Esq
Chairman

THE FREWEN EDUCATIONAL TRUST LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 2001

1 Accounting policies

Going concern

The accounts are prepared on a going concern basis on the assumption that the company continues to receive the support of the directors and creditors.

The directors are of the opinion that this support will continue for the foreseeable future.

Basis of accounting

These accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and include the results of the charity's operations which are described in the Governors' Report and all of which are continuing.

The accounts have been prepared in compliance with the Statement of Recommended Practice on Charity Accounts and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life at the following rates:

Freehold buildings	at 1% on cost or revalued amounts of land and buildings less an estimated £50,000 for the cost of the land
Portable buildings	at 20% on cost
Motor vehicles	at 25% reducing balance basis
Fixtures and equipment	at 33% on cost

Pensions

The company operates defined contribution, externally funded pension schemes covering the majority of its employees. Contributions are charged against profits as the contributions are made.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The assets are depreciated over their estimated useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Rental costs under operating leases are charged to the profit and loss account over the period of the lease.

Management and Administrative Expenditure

Management and administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes salaries for administrative staff and audit fees.

NOTES ON FINANCIAL STATEMENTS

31st August 2001

1 Accounting policies continued**Value Added Tax**

Value added tax is not recoverable by the charity and, as such, is included in the relevant costs in the Statement of Financial Activities.

Income

Voluntary income and donations are accounted for as received by the charity. No permanent endowments have been received in the period, but these are dealt with through the Statement of Financial Activities when received.

Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income plus associated tax recoverable is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest.

2 Turnover

Turnover represents the amount derived from the provision of fees and services which fall within the company's ordinary activities.

3 Operating deficit

	2001 £	2000 £
Operating deficit is stated after crediting		
Profit on sale of assets	35,454	-
and after charging		
Auditors' remuneration	2,500	2,500
Loss on sale of assets	2,205	613
Depreciation of tangible fixed assets (note 9)		
Owned assets	27,008	40,947

4 Staff costs

	2001 £	2000 £
Wages and salaries	771,356	745,331
Social security costs	61,544	58,901
Pension costs	46,554	45,593
	879,454	849,825

THE FREWEN EDUCATIONAL TRUST LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 2001

5	Investment income	2001	2000
		£	£
	Listed investments	75	2,739
		<u>75</u>	<u>2,739</u>
6	Other operating income	2001	2000
		£	£
	Interest receivable	26	9
	Sundry income and donations	34,335	23,571
		<u>34,361</u>	<u>23,580</u>
		<u>34,361</u>	<u>23,580</u>
7	Interest payable	2001	2000
		£	£
	Interest payable	23,146	26,501
		<u>23,146</u>	<u>26,501</u>
		<u>23,146</u>	<u>26,501</u>
8	Taxation		

There is no liability to UK Corporation Tax due to the company's charitable status.

THE FREWEN EDUCATIONAL TRUST LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 2001

11 Fixed asset investments

	2001	2000
MARKET VALUE		
At 1st September 2000	2	37,448
Disposals	-	(37,446)
	<hr/>	<hr/>
	2	2
Unrealised (gain)/loss on investments	2,176	-
	<hr/>	<hr/>
At 31st August 2001	<u>£ 2,178</u>	<u>£ 2</u>

The historic cost of listed investments on 31 August 2001, and 2000 was £nil.

12 Debtors

	2001 £	2000 £
Amounts falling due within one year		
Trade debtors	140,453	61,832
Other debtors	23,377	24,143
	<hr/>	<hr/>
	163,830	85,975
	<hr/>	<hr/>

13 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdrafts	-	350,127
Trade creditors	34,464	13,919
Other taxation and social security	18,535	18,214
Other creditors	643,641	356,028
	<hr/>	<hr/>
	696,640	738,288
	<hr/>	<hr/>

Included in other creditors at 31st August 2001 is £250,000 (2000:nil) owing to J B M Frewen, a director.

The bank overdraft is secured by a charge over the company's land and buildings.

14 Limited Liability

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up and unable to meet its liabilities, each member undertakes to contribute such sum as may be required up to a maximum of £1.

THE FREWEN EDUCATIONAL TRUST LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 2001

9 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Fixtures and Fittings £	Land and Buildings £	Portable Buildings £	Total £
1st September 2000	48,198	433,175	1,400,000	28,863	1,910,236
Additions	-	15,610	-	-	15,610
Disposals	(14,636)	(75)	(140,000)	-	(154,711)
31st August 2001	33,562	448,710	1,260,000	28,863	1,771,135
Depreciation					
1st September 2000	44,043	421,538	127,136	28,863	621,580
Charge for year	388	14,520	12,100	-	27,008
Disposals	(12,031)	(75)	(13,185)	-	(25,291)
31st August 2001	32,400	435,983	126,051	28,863	623,297
Net book amount					
31st August 2001	1,163	12,727	1,133,949	-	1,147,839
1st September 2000	4,155	11,637	1,272,864	-	1,288,656

Land and buildings were professionally valued on 25 November 1998 by Stiles Harold Williams, who, on an open market basis, valued all land and buildings owned by The Frewen Educational Trust Limited at £1,400,000. The Governors are of the opinion that this valuation should be incorporated into these financial statements.

Depreciation has been charged based on the revalued amounts. If freehold land and buildings had not been revalued it would have been included in accordance with note 10.

10 Land and buildings

	2001 £	2000 £
Freehold land and buildings at valuation		
Valuation in 1998	1,260,000	1,400,000
Historical cost information		
Cost	621,989	691,099
Aggregate depreciation	(118,677)	(112,957)
	503,312	578,142

THE FREWEN EDUCATIONAL TRUST LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 2001

15 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following annual payments falling due:

	2001 Plant & Other £	2000 Plant & Other £
Expiring		
Within two to five years	15,063	28,768
	<u>15,063</u>	<u>28,768</u>

16 Related parties

As disclosed the company is limited by guarantee, no one member having overall control of the company.

During the year a loan for £250,000 was made to The Frewen Educational Trust Limited from J B M Frewen, a director. Interest payments of £7,193 were paid to J B M Frewen during the year.

The amount due to J B M Frewen at 31st August 2001 was £250,000 (2000: nil)

All transactions were carried out on an arms length basis.