

Companies House

1843219

CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1999

MacINTYRE & CO
CHARTERED ACCOUNTANTS
28 ELY PLACE
LONDON, EC1N 6RL



Company Registered No. 1843219
Registered Charity No. 290143

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 1999

STATUS AND ADMINISTRATION

The Cheam School Educational Trust Limited was established in 1984 with the school however originally founded in 1645. The School is a registered charity, number 290143 and is a registered company number 1843219.

GOVERNORS

The Governors who are also the charity trustees, and the directors of the company and who served during the year were:

Admiral Sir Peter Herbert K.C.B., O.B.E. (Chairman)

C D Daukes

R.W.S. Drake

A.F. Gibbs

E.J.H. Gould

E.S. Harford

B. Hesketh (Resigned 31 March 1999)

Mrs C.E. Hurst (Elected 17 February 1999)

Mrs H.M. Jordan

R.D. Marsh

Mrs R.A. Shorten (Resigned 27 June 1999)

Hon J.N. Stopford

R.T. Trafford

PROFESSIONAL ADVISERS AND KEY PERSONNEL

The Head: M.R. Johnson

The Bursar: H.V. Marment

School address: Cheam Hawtreys School
Headley, Nr Newbury
Berkshire RG19 8LD

Bankers: National Westminster Bank Plc
30 Market Place
Newbury, Berkshire
RG14 5AJ

Solicitors: Pitman & Bazett
34 London Road
Newbury
Berkshire RG13 1JX

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

GOVERNOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1999

OBJECTS

The Objects are set out in the Memorandum as the education of boys and girls to the age of 13 years.

ORGANISATION

The Governors determine the general policy of the school with the day to day management of the school delegated to the Headmaster and the Bursar.

POLICY

In accordance with the Memorandum the preparatory boarding and day education has a purpose of educating the pupils to a high standard so enabling them to be able to move to a senior school.

The school's policy is to attain the highest academic levels whilst allowing pupils to benefit from our extra-curricular programme. This aims to develop other interests and prepare them for the senior school of their own and their parents' choice.

FINANCIAL RESULTS

The financial results for the year are shown in the statement of financial activities on page 5 which show a resource deficit of £281,162.

REVIEW

The governors outlook for the future is considered to be good although a difficult period is expected in the short term.

YEAR 2000

It is anticipated that necessary action will be completed during 1999 to enable equipment and software used by the company to perform beyond Year 2000.

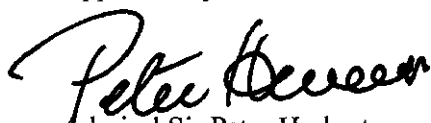
RESOURCES

As stated in Note 5 to the accounts the funds are all available for day to day requirements of the School. The School's assets are sufficient to meet its obligations.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of MacIntyre & Co. as auditors to the company will be put to the annual general meeting.

Approved by the Board of Governors at a meeting on 12 November 1999 and signed on its behalf by:


Admiral Sir Peter Herbert
Chairman

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 1999

The purpose of this statement is to distinguish the Governors responsibilities for the account from those of the auditors as stated in their report.

Company law requires the Governors to prepare accounts 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 accounts the directors 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume 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 accounts 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 of and detection of fraud or other irregularities.

CHÈAM SCHOOL EDUCATIONAL TRUST

FOR THE YEAR ENDED 31 AUGUST 1999

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE GOVERNORS AND AUDITORS

As described on page 2 the company's governors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on those statements and to report our opinion to you.

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 charitable 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 accounts 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 accounts give a true and fair view of the state of affairs of the charitable company as at 31 August 1999 and of its incoming resources and application of resources, including its income and expenditure, in 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

12 November 1999

BALANCE SHEET

31 AUGUST 1999

	Notes	1999 £	1998 £
TANGIBLE FIXED ASSETS	1	1,662,376	1,491,700
CURRENT ASSETS			
Debtors -			
Fees and extras in arrears	2	105,833	8,418
Other debtors, stocks and prepayments		45,565	20,956
		<hr/>	<hr/>
Total debtors		151,488	29,374
Cash at bank		264,755	112,274
		<hr/>	<hr/>
		416,243	141,648
		<hr/>	<hr/>
CREDITORS - due within one year			
Fees received in advance		257,088	128,713
Prepaid fees		195,957	65,756
Other creditors	3	75,051	286,272
Bank loan	4	125,963	46,885
		<hr/>	<hr/>
		654,059	527,626
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)		(237,816)	(385,978)
CREDITORS - Due after one year	4	(600,000)	-
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		£824,560	£1,105,722
		<hr/>	<hr/>
Represented by:			
UNRESTRICTED FUNDS	5	£824,560	£1,105,722
		<hr/>	<hr/>

SIGNED ON BEHALF OF THE BOARD



ADMIRAL SIR PETER HERBERT)

) GOVERNORS

Daukes,

C D DAUKES)

12 November 1999

The accompanying notes are an integral part of this balance sheet.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 1999

		Unrestricted Funds	
		Total	Total
		1999	1998
	Notes	£	£
INCOMING RESOURCES			
Fees receivable	9	1,542,046	1,507,928
Disbursement recovery		244,342	146,961
Other income	10	40,856	33,312
Bank and other interest	11	3,552	9,448
Donations	12	10,947	56,307
Total Incoming Resources		1,841,743	1,753,956
RESOURCES USED			
Direct charitable Expenditure	13		
Teaching costs		1,099,932	932,017
Welfare		462,306	412,579
Premises		324,570	307,771
Support costs		191,825	161,831
		2,078,633	1,814,198
Other Expenditure			
Management and administration of the Charity	13	29,659	28,322
Interest paid		14,613	3,356
Total Resources Expended	14	2,122,905	1,845,876
NET INCOMING RESOURCES (DEFICIT)		(281,162)	(91,920)
Balance brought forward		1,105,722	1,197,642
Balance carried forward		£ 824,560	£1,105,722

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes are an integral part of this statement.

YEAR ENDED 31 AUGUST 1999

ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with statements of standard accounting practice issued by UK accountancy bodies. The particular accounting policies adopted are described below.

The financial statements have been prepared in accordance with the statement of accounting practice for charities (SORP).

a. Accounting Convention:

The accounts have been prepared under the historical cost convention.

b. Depreciation:

Depreciation is provided on freehold land permanent buildings at 1% on cost. Depreciation is provided on other fixed assets to write off their cost over estimated useful lives at the following rates:

Furniture, fittings and equipment	- 10% on cost
Motor vehicles and garden equipment	- 20% on cost
Computers	- 25% on cost

c. Turnover:

Turnover comprises of fees, sales and lettings receivable from the schools continuing activities. Fees for boarding and tuition are stated after the deduction of allowances given.

d. Cash Flow Statement

The Governors have taken advantage of the exemptions available in Financial Reporting Statement Number 1 and have chosen not to prepare a cash flow statement.

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 1999

1. TANGIBLE FIXED ASSETS:

The movement of tangible fixed assets was as follows

	Freehold land and freehold buildings £	Furniture fittings, and equipment £	Motor vehicles and garden equipment £	Computers £	Total £
COST					
At 1 September 1998	1,504,678	371,862	40,169	55,792	1,972,501
Additions	224,626	-	14,850	-	239,476
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1999	1,729,304	371,862	55,019	55,792	2,211,977
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 September 1998	145,695	255,477	40,165	39,464	480,801
Charge for the year	17,000	37,000	900	13,900	68,800
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1999	162,695	292,477	41,065	53,364	549,601
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 August 1999	£1,566,609	£ 79,385	£ 13,954	£ 2,428	£1,662,376
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1998	£1,358,983	£116,385	£ 4	£ 16,328	£1,491,700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

2. DEBTORS: - Fees and extras in arrears

These are stated after an amount set aside for doubtful debts of £NIL (1998 £NIL).

3. OTHER CREDITORS: - Due within one year	1999 £	1998 £
Payroll taxes and social security	25,161	16,633
Other creditors and accruals	49,890	89,322
Bank overdrawn	-	180,317
	<hr/>	<hr/>
	£ 75,051	£286,272
	<hr/>	<hr/>

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 1999

4. BANK LOAN	1999	1998
	£	£
The bank loan is secured		
- Due within one year	125,963	46,885
- Due after one year	600,000	-
	<hr/>	<hr/>
	£725,963	£ 46,885
	<hr/>	<hr/>

The bank loan bears interest at 1½% over base rates with a full offset on all current accounts, and is repayable to 30 June 2006. The loan is secured on the school freehold property.

5. UNRESTRICTED FUNDS

All funds held may be applied to School operations at the discretion of the governors without restriction of capital or accumulated income. Certain funds are held to finance scholarships but there is no restriction on the use of capital or interest.

6. PENSIONS

The School maintains two pensions schemes one being a defined benefit scheme with the Department for Education Superannuation scheme for teachers and the second being a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for teachers and non-teachers.

The contributions are charged to the income expenditure account as they become due.

7. TAXATION:

The company is a registered charity and no taxation is payable on its income.

8. CAPITAL COMMITMENTS:

Commitments for future capital expenditure not provided for in these accounts were as follows:

	1999	1998
	£	£
Contracted for	£ NIL	£ NIL
	<hr/>	<hr/>

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 1999

9.	FEES RECEIVABLE	1999 £	1998 £
	Boarding and tuition fees	1,663,704	1,547,308
	Less Scholarships and bursaries given	121,658	39,380
		<hr/>	<hr/>
		£1,542,046	£1,507,928
		<hr/>	<hr/>
10.	OTHER INCOME	1999 £	1998 £
	Rent and lettings	33,226	28,627
	Registration fees	7,630	4,685
		<hr/>	<hr/>
		£ 40,856	£ 33,312
		<hr/>	<hr/>
11.	BANK AND OTHER INTEREST	1999 £	1998 £
	Bank deposits	£ 3,552	£ 9,448
		<hr/>	<hr/>
12.	DONATIONS	1999 £	1998 £
	Appeal receipts	10,947	9,874
	Assets donated from Inhurst	-	46,433
		<hr/>	<hr/>
		£ 10,947	£ 56,307
		<hr/>	<hr/>

The appeal receipts were applied to the construction of the Science Block.

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 1999

13. RESOURCES USED	1999 £	1998 £
All expense items are shown inclusive of VAT		
Administration of the Trust Includes		
Auditors remuneration - Audit	13,512	12,925
- Other Services	6,229	4,650
Ex gratia pensions	2,418	2,418
Costs of mergers	-	8,329
Bank loan fee	7,500	-
	<hr/>	<hr/>
	£ 29,659	£ 32,322
	<hr/>	<hr/>

14. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Direct Charitable Expenditure:				
Teaching	951,467	148,465	-	1,099,932
Welfare	159,000	266,306	37,000	462,306
Premises	95,024	211,646	17,900	324,570
Support	110,864	67,061	13,900	191,825
	<hr/>	<hr/>	<hr/>	<hr/>
	1,316,355	693,478	68,800	2,078,633
Other Expenditure:				
Administration of the charity	2,418	27,241	-	29,659
Interest	-	14,613	-	14,613
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,318,773	£735,332	£ 68,800	£2,122,905
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 1999

15. STAFF COSTS	1999 £	1998 £
Wages and salaries	1,164,385	1,041,779
Social security costs	85,337	83,060
Pension contributions	66,633	71,587
Other costs – Pensions	2,418	2,418
	<hr/>	<hr/>
	£1,318,773	£1,198,844
	<hr/>	<hr/>
The average number of employees in the year was:	No	No
Teaching	35	38
Others	45	46
	<hr/>	<hr/>
	80	84
	<hr/>	<hr/>
The number of employees whose emoluments exceeded £40,000		
£40,000 - £50,000	1	-
	<hr/>	<hr/>
	1999	1998
Governors receiving reimbursement of expenses during the year was:	£ 322	£ 314
	<hr/>	<hr/>
Fees for legal work paid to a firm of solicitors of which the Trustee R W S Drake was a partner amounted to:	£ 299	£ 282
	<hr/>	<hr/>