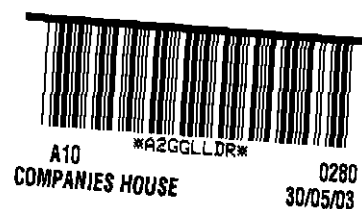


Queen Margaret's School, York Limited
(A Company Limited by Guarantee)
Annual report
for the year ended 31 August 2002

Charity number: 517523
Registered Number 2010493



Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Annual report
for the year ended 31 August 2002

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Queen Margaret's School, York Limited **(A Company Limited by Guarantee)**

Directors and advisers for the year ended 31 August 2002

The Queen Margaret's School Governors are the Charity Trustees and directors of Queen Margaret's School, York Limited and have all served throughout the year and to the date of this report except where indicated. They are:

Directors

Mrs Eleanor King (Chairman)

Mrs Ann Shelton

The Reverend Rachel Benson

Brigadier M A Charlton-Weedy CBE (resigned 12 November 2001)

C D Forbes Adam Esq

W T Hartley Esq

J Horsley Esq (appointed 10 June 2002)

The Hon Fiona Horton

R L Hudson Esq (appointed 10 June 2002)

D A Kerfoot Esq

Mrs V Mather (appointed 10 June 2002)

C P Moorhouse Esq

D Sheppard Esq

R J Shephard Esq (resigned 10 June 2002)

Sir Jack Whitaker Bt

Clerk and company secretary

M D Oakley Esq

Registered Office

Escrick Park

York

YO19 6EU

Auditors

PricewaterhouseCoopers

Queen Victoria House

Guildhall Road

Hull

HU1 1HH

Bankers

Yorkshire Bank plc

46 Coney Street

York

YO1 1NQ

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Solicitors

Addleshaw Booth & Co

Sovereign House

South Parade

Leeds

LS1 1EQ

Crombie Wilkinson

4 Old Maltongate

Malton

North Yorkshire

YO17 0EQ

Queen Margaret's School, York Limited (A Company Limited by Guarantee)

Report of the Governors for the year ended 31 August 2002

The governors, who are also directors of the company for the purpose of the Companies Act, present their annual report and the audited financial statements for the year ended 31 August 2002.

The information with respect to governors, directors, officers and advisors set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 and the Charities Act 1993.

Status and administration

Queen Margaret's School ("the School") is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association (company registered number 2010493) and charity registered with the Charity Commission (charity registered number 517523).

Charitable objects

The objects of the charity are the advancement of Education including the provision of boarding and day schooling for girls.

Board policy

The charity provides education in Escrick to girls from the age of 11 - 18.

Review of activities

In the year the School had 368 (2001 364) pupils of whom 335 (2001 328) were boarders. Waiting lists are full and we are confident that these numbers will continue in the foreseeable future.

In addition, we awarded £320,000 in scholarships and bursaries to 124 girls.

The results for the year are included on pages 6 and 7.

Developments

The Theatre and Chapel were completed in the financial year. The development has been funded by bank borrowings less the funds raised by the Centenary Appeal. The appeal has raised £962,433, including monies to be received in future years from covenanted arrangements.

Queen Margaret's School (York) Charitable Fund

Queen Margaret's School (York) Charitable Fund, a wholly owned charity subsidiary was set up to promote the advancement of education and training of pupils of the School, by the provision of scholarships and bursaries. During the year it continued to be responsible for the fund raising for the Centenary Appeal. A grant of £537,676 has been made in the year to the School, a further £72,000 was paid to the School subsequent to the year end and further donations will be made as monies covenanted to the appeal are received.

Investment powers

Investment powers are governed by the company's Memorandum and Articles of Association, which permit the investment of the company's monies not immediately required for its purposes in such investments, securities or property as the directors think fit.

Reserves

The governors' policy is to maintain the reserves at a minimum of the current levels and are aware that future surpluses will need to be generated to meet the financing of the bank borrowings. The governors will continue to monitor and review their policy on reserves in conjunction with the company's indebtedness.

Queen Margaret's School, York Limited

(A Company Limited by Guarantee)

Risk management

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued on 12 October 2000, the governors have set up a Risk Management Group, comprising three governors and one senior staff member, which is conducting its own review of the major strategic, business and operational risks to which the School and the group are exposed. Systems are being established to mitigate those risks and procedures are being implemented to minimise any potential impact on the School and the group should any of those risks materialise.

Governance of the school

During the period under review the governors met termly. A panel comprising existing governors selects members of the governing body. The Executive Committee and the Fund-raising Committee are made up of governors and other individuals. Both committees operate under specific terms of reference which delegate certain functions from the governing board. Each committee has its decisions ratified by the full board.

Governors' responsibilities

The governors are required by charity law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the school and group and of the surplus or deficit of the group as at the end of the financial year.

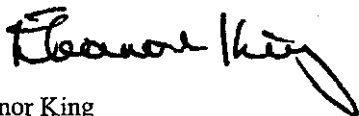
The governors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 August 2002. The governors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

Auditors

A resolution to re-appoint PricewaterhouseCoopers as auditors to the school will be proposed at the annual general meeting.

Approved by the Board of Governors on 11 November 2002
and signed on its behalf by:



Mrs Eleanor King

Queen Margaret's School, York Limited **(A Company Limited by Guarantee)**

Independent auditors' report to the members of Queen Margaret's School, York Limited (A Company Limited by Guarantee)

We have audited the financial statements which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the balance sheets, the consolidated cash flow statement and the related notes, which have been prepared in accordance with the accounting policies set out in the statement of accounting policies.

Respective responsibilities of governors and auditors

The governors are also directors of Queen Margaret's School, York Limited for the purposes of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of governors' responsibilities.

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

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 school has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

Basis of audit 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 affairs of the charitable company and the group at 31 August 2002 and of the net incoming resources, including its income and expenditure and the cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Hull

11 November 2002

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Consolidated statement of financial activities for the year ended 31 August 2002

		2002		2001
	Note	Unrestricted funds	Restricted funds	Total
		£	£	£
Incoming resources				
<i>Charitable activities</i>				
School fees	1	4,904,069	-	4,904,069
Other income	3	3,270	-	3,270
<i>Other activities to generate funds</i>				
Commission and lettings income	3	68,732	-	68,732
Trading income	2	2,050	-	2,050
<i>Interest receivable</i>		12,467	-	12,467
<i>Donations</i>		132,266	20,000	152,266
Total incoming resources		5,122,854	20,000	5,142,854
Resources expended				
<i>Costs of generating funds</i>				
Trading expenses	2	1,037	-	1,037
Financing costs		50,291	-	50,291
Fund-raising costs		5,205	-	5,205
		56,533	-	56,533
<i>Charitable expenditure</i>				
Teaching		2,466,163	-	2,466,163
Welfare		1,116,394	-	1,116,394
Premises		653,380	-	653,380
Support costs		325,227	-	325,227
Management and administration	7	39,967	-	39,967
Total charitable expenditure		4,601,131	-	4,601,131
Total resources expended	6	4,657,664	-	4,657,664
Net incoming resources	4	465,190	20,000	485,190
Transfers between funds		(25,519)	25,519	-
Net incoming resources before investment disposals		439,671	45,519	485,190
Investment (losses)/gains		(1,581)	-	(1,581)
Net movement in funds		438,090	45,519	483,609
Fund balances at 1 September 2001		5,486,457	414,396	5,900,853
Fund balances at 31 August 2002	18	5,924,547	459,915	6,384,462

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Consolidated summary income and expenditure account for the year ended 31 August 2002

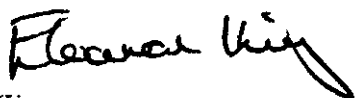
	2002 £	2001 £
Gross charitable income	5,128,337	4,924,457
Non-charitable trading income	2,050	-
	5,130,387	4,924,457
Charitable expenditure	(4,606,336)	(4,380,489)
Non-charitable trading expenditure	(1,037)	-
Net surplus before investment asset disposals	523,014	543,968
Loss on disposal of investments	(1,581)	2,809
Interest payable	(50,291)	(26,262)
Interest receivable	12,467	28,786
Net surplus of income over expenditure for the year	483,609	549,301

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Consolidated and Company balance sheets as at 31 August 2002

	Note	Group 2002 £	Group 2001 £	Company 2002 £	Company 2001 £
Fixed assets					
Tangible assets	8	9,375,184	7,383,242	9,375,184	7,383,242
Investments	9	-	-	1	1
		9,375,184	7,383,242	9,375,185	7,383,243
Current assets					
Stocks - goods for resale		44,506	46,435	38,389	46,435
Debtors	10	384,614	279,268	364,977	278,041
Investments		-	9,909	-	-
Cash at bank and in hand		75,174	20,018	643	818
		504,294	355,630	404,009	325,294
Creditors - amounts falling due within one year	11	(2,573,276)	(1,533,560)	(2,572,497)	(1,992,377)
Net current liabilities		(2,068,982)	(1,177,930)	(2,168,488)	(1,667,083)
Total assets less current liabilities		7,306,202	6,205,312	7,206,697	5,716,160
Creditors - amounts falling due after more than one year	12	(921,740)	(304,459)	(921,740)	(304,459)
Net assets		6,384,462	5,900,853	6,284,957	5,411,701
Restricted funds	18	459,915	414,396	439,915	414,396
Unrestricted funds	18	5,924,547	5,486,457	5,845,042	4,997,305
Total Funds	18	6,384,462	5,900,853	6,284,957	5,411,701

The financial statements on pages 6 to 25 were approved by the board of governors on 11 November 2002 and were signed on its behalf by:



Mrs Eleanor King

Director

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Consolidated cash flow statement for the year ended 31 August 2002

	Note	2002 £	2002 £	2001 £	2001 £
Net cash inflow from operations	A		598,699		782,076
Returns on investments and servicing of finance					
Interest income receipts		12,467		28,786	
Finance costs paid		(50,291)		(26,262)	
			(37,824)		2,524
Capital expenditure and financial investment					
Payment for tangible fixed assets		(2,257,423)		(1,226,204)	
Proceeds from sale of investments		8,328		60,012	
			(2,249,095)		(1,166,192)
Net cash outflow			(1,688,220)		(381,592)
Financing: advance fees scheme and bank loans					
Receipts from new contracts		560,647		131,214	
Amounts utilised and repaid		(155,911)		(84,679)	
New short term bank loan		1,400,000		-	
New long term bank loan		500,000		-	
Bank loan repayments		(12,640)		-	
Cash inflow from financing			2,292,096		46,535
Net cash inflow/(outflow) for the year			603,876		(335,057)
Cash inflow from increase in debt			(1,887,360)		-
Movement in net debt in the year			(1,283,484)		(335,057)
Net debt at 31 August 2001			(815,285)		(480,228)
Net debt at 31 August 2002	B		(2,098,769)		(815,285)

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Notes to the consolidated cash flow statement for the year ended 31 August 2002

A Reconciliation of group net incoming resources to net cash inflow from operations

	2002 £	2001 £
Net incoming resources	485,190	546,492
Non-operating cash flows eliminated:		
Interest receivable	(12,467)	(28,786)
Value on receipt of fixed asset investments	-	(67,112)
Financing costs	50,291	26,262
Depreciation charges	265,481	248,645
Decrease/(increase) in stocks	1,929	(10,392)
Increase in debtors	(105,346)	(72,119)
(Decrease)/increase in creditors	(86,379)	139,086
Net cash inflow from operations	598,699	782,076

B Analysis of changes in net debt

	At 31 August 2001 £	Cash flows £	Other movement £	At 31 August 2002 £
Cash at bank and in hand	20,018	55,156	-	75,174
Overdraft	(835,303)	548,720	-	(286,583)
Debt due within one year	-	(1,400,000)	(157,295)	(1,557,295)
Debt due after one year	-	(487,360)	157,295	(330,065)
	(815,285)	(1,283,484)	-	(2,098,769)

Queen Margaret's School, York Limited

(A Company Limited by Guarantee)

Principal accounting policies

The financial statements of the charity are prepared in accordance with The Charities (Accounts and Reports) Regulations 2000 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000 ("SORP"), and with applicable accounting standards. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

Group accounts

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Queen Margaret's School Charitable Fund on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 304 of the SORP.

Adoption of new charity SORP

The comparative figures shown for 2000 have been restated, where necessary, in line with the revised presentation required to accord with the provisions of SORP 2000. There have been no changes to the accounting policies as a result of the adoption of SORP 2000.

Fees and similar income

Fees receivable and charges for services and use of premises 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 from its unrestricted funds.

Donations and fund accounting

Donations are credited to revenue on a receivable basis. Donations received for the general purposes of the Charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors.

Pension schemes

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account in the period in which they are payable.

Members of the academic staff belong to the Teachers' Superannuation Scheme, which is a defined benefit scheme. Contributions are charged to the statement of group financial activities so as to spread the cost of pensions over the employees' working lives.

School buildings and equipment

Land is not depreciated. Depreciation of other assets is provided at rates calculated to write off the excess of cost over estimated residual amount evenly over the estimated useful economic lives of each class of asset, subject to annual review.

These rates are currently as follows:

Freehold buildings	2% and 5%
Plant and equipment	15%
Fixtures and fittings	15%
Motor vehicles	25%

Stock

Stock is carried at the lower of cost and net realisable value.

Queen Margaret's School, York Limited

(A Company Limited by Guarantee)

Advance fees scheme

The school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income.

Grants and bursaries

Grants and bursaries are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the school are treated as a reduction in those fees.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Management and administration

Management and administration costs include expenditure on administration of the charity and compliance with constitutional and statutory requirements.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

Unrestricted funds are those available for use at the discretion of the governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions.

Investment income and gains are allocated to the appropriate fund.

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2002

1 School fees

The school's fee income comprised:

	2002	2001
	£	£
Gross fees	5,224,069	4,799,961
Less: total bursaries, grants and allowances	(320,000)	(271,542)
	4,904,069	4,528,419

2 Income from subsidiary's trading activities

The Charity's subsidiary, Queen Margaret's School (York) Charitable Fund, a registered charity, sells promotional goods relating to the school and organises appeals on behalf of the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2002	2001
	£	£
Turnover	2,050	-
Cost of sales	(1,037)	-
Gross profit	1,013	-

3 Other income

	2002	2001
	£	£
Charitable activities		
Registration fees	3,270	3,180
Other activities to generate funds		
Lettings and other income	68,732	428,931

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

4 Net incoming resources

Net incoming resources are stated after charging:

	2002	2001
	£	£
Depreciation	265,481	248,645
Auditors' remuneration:		
for audit services	10,344	10,141
for other services	10,336	7,725

5 Employee information

<i>Group and company</i>	2002	2001
Total staff costs comprised:		
Wages and salaries	2,782,174	2,561,506
Social security costs	195,939	184,455
Pension contributions	153,146	142,585
	3,131,259	2,888,546
	Number	Number
The average number of persons employed by the group during the year was:		
Education	90	87
Services	13	12
Support	11	9
Welfare	42	42
	156	150

The number of higher paid employees earning over £50,000 was:

<i>Group and company</i>	2002	2001
	Number	Number
£80,000 - £90,000	1	1

Contributions were made to the Teachers' Superannuation Scheme, which is a defined benefit scheme, in respect of the higher paid employee.

No governors received any remuneration from the group during the year (2001 £Nil).

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

6 Analysis of total resources expended

	Staff costs £	Other costs £	Depreciation £	Total £
Charitable activities				
Teaching	2,205,824	152,626	107,713	2,466,163
Welfare	492,903	623,491	-	1,116,394
Premises	232,105	273,780	147,495	653,380
Support costs	200,427	114,527	10,273	325,227
Management and administration	-	39,967	-	39,967
	3,131,259	1,204,391	265,481	4,601,131
Costs of generating funds:				
Financing costs - bank interest payable	-	50,291	-	50,291
Fund-raising	-	5,205	-	5,205
Total for charity	3,131,259	1,259,887	265,481	4,656,627
Trading costs of the subsidiary	-	1,037	-	1,037
Total for group	3,131,259	1,260,924	265,481	4,657,664

7 Management and administration

	2002 £	2001 £
Auditors' remuneration - audit services	10,344	10,141
- other services	10,336	7,725
Legal and professional fees	7,803	13,261
Bank charges	11,484	2,914
	39,967	34,041

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

8 Tangible fixed assets

Group and company	Freehold buildings £	Assets under construction £	Motor vehicles £	Fixtures and fittings £	Plant and equipment £	Group total £
Cost or valuation						
1 September 2001	6,059,087	1,450,748	76,760	1,404,393	18,467	9,009,455
Additions	2,122,659	-	26,655	108,139	-	2,257,423
Transfer	1,450,748	(1,450,748)	-	-	-	-
Disposals	-	-	(12,719)	-	-	(12,719)
31 August 2002	9,632,464	-	90,696	1,512,532	18,467	11,254,159
Depreciation						
1 September 2001	504,410	-	67,312	1,041,909	12,582	1,626,213
Charge for the year	145,357	-	10,273	107,713	2,138	265,481
Disposals	-	-	(12,719)	-	-	(12,719)
31 August 2002	649,767	-	64,866	1,149,622	14,720	1,878,975
Net book values						
31 August 2002	8,982,697	-	25,830	362,910	3,747	9,375,184
31 August 2001	5,554,677	1,450,748	9,448	362,484	5,885	7,383,242
Cost or revaluation comprises						
Cost	5,872,464	-	90,696	1,512,532	18,467	7,494,159
Valuation 1996	3,760,000	-	-	-	-	3,760,000
	9,632,464	-	90,696	1,512,532	18,467	11,254,159

	2002 £	2001 £
Historic cost and depreciation		
Historic cost of freehold land and buildings	8,588,437	5,015,030
Historic accumulated depreciation of freehold land and buildings	542,795	413,193
Future capital commitments		
Contracted for but not provided	-	2,492,000

In the prior year, the company adopted the transitional provisions of Financial Reporting Standard No. 15 - Tangible Fixed Assets. As a result no future revaluations will be carried out and previous surpluses have been retained.

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

9 Investments

	Subsidiary undertakings £
31 August 2001 and 31 August 2002 at cost	1

	Country of incorporation	Proportion of shares held	Nature of business
Subsidiary undertakings			
Queen Margaret's School (York) Charitable Fund	England	-	Fundraising
Queen Margaret's School (York) 1997 Limited	England	100%	Dormant

Queen Margaret's School (York) Charitable Fund is a company limited by guarantee and is classified as a subsidiary undertaking under the definition laid down by the Statement of Recommended Practice "Accounting by Charities" issued by the Charity Commissioners. The only activity within the company has been the receipt of funds for use by the school to further its charitable objectives.

	2002 £	2001 £
The assets and liabilities of the subsidiary were:		
Current assets	100,285	566,022
Creditors: amounts falling due within one year	(780)	(76,106)
	99,505	489,152
Representing:		
Accumulated funds - unrestricted	79,505	489,152
Bursary fund - restricted	20,000	-
	99,505	489,152

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

10 Debtors

	Group 2002	Group 2001	Company 2002	Company 2001
	£	£	£	£
School fees	77,804	84,740	77,804	84,740
Other debtors	194,234	83,792	174,597	6,459
Prepayments and accrued income	112,576	110,736	112,576	110,736
Amounts owed from subsidiary undertaking	-	-	-	76,106
	384,614	279,268	364,977	278,041

11 Creditors: amounts falling due within one year

	Group 2002	Group 2001	Company 2002	Company 2001
	£	£	£	£
Bank overdraft (note 12)	286,583	835,303	286,583	835,303
Bank loans (note 12)	1,557,295	-	1,557,295	-
Amounts due from subsidiary company	-	-	-	459,581
Fees received in advance	188,747	255,927	188,747	255,927
Trade creditors	180,504	204,299	179,725	203,535
Taxation and social security	62,242	56,433	62,242	56,433
Final term deposits	13,000	13,000	13,000	13,000
Other creditors and accruals	64,015	85,940	64,015	85,940
Advance fees scheme (note 12)	220,890	82,658	220,890	82,658
	2,573,276	1,533,560	2,572,497	1,992,377

Queen Margaret's School, York Limited
(A Company Limited by Guarantee)

12 Creditors: amounts falling due after more than one year

	2002	2001
	£	£
Group and company		
Bank loan	330,065	-
Advance fees scheme (note 13)	487,187	220,683
Final term deposits	104,488	83,776
	921,740	304,459

The charity during the year has arranged bank facilities with its bankers of £3m to 2016. The security in respect of the facilities is the School and sixth form block. The facilities can be utilised at the discretion of the Governors. At 31 August 2002 the following amounts were drawn down:

	2002	2001
	£	£
Under 1 year		
Bank overdraft	286,583	835,303
Short term bank loan	1,400,000	-
Long term bank loan current proportion	157,295	-
	1,843,878	835,303
Due after 1 year		
Long term bank loan		
1 - 2 years	167,417	-
2 - 3 years	162,648	-
	2,173,943	835,303

The long term loan is repayable by July 2005 by monthly instalments, with interest at 6.135%.

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13 Advance fees scheme

Parents may enter into a contract to pay to the school up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2002 £	2001 £
Within 1 year	220,890	82,658
Within 2 to 5 years	487,187	220,683
	708,077	303,341

The balance represents the accrued liability under the contracts. The movements during the year were:

	£
Balance at 1 September 2001	303,341
New contracts	560,647
	863,988
Amounts utilised in payment of fees:	
To the school	(155,911)
Balance at 31 August 2002	708,077

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14 Accumulated fund - unrestricted

	2002	2001
	£	£
Group		
31 August 2001	4,533,617	3,997,583
Net incoming resources after investment disposals	463,609	549,301
Transfer to charitable fund	(25,519)	(111,748)
Transfer from charitable fund	-	76,825
Transfer from revaluation reserve	21,656	21,656
31 August 2002	4,993,363	4,533,617
Company		
31 August 2001	4,044,465	3,805,310
Net incoming resources after investment disposals	335,580	252,422
Donation from Queen Margaret's School (York) Charitable Fund	537,676	-
Transfer to charitable fund	(119,564)	(111,748)
Transfer from charitable fund	94,045	76,825
Transfer from revaluation reserve	21,656	21,656
31 August 2002	4,913,858	4,044,465

15 Charitable fund - restricted

Group and company	2002	2001
	£	£
31 August 2001	414,396	379,473
Transfer to accumulated fund	(94,045)	(76,825)
Transfer from accumulated fund	119,564	111,748
31 August 2002	439,915	414,396

The charitable fund was set up in 1995 to help fund the School's remission scheme. Amounts are transferred to and from the fund annually in relation to the scheme.

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16 Bursary fund - restricted

Group	2002 £	2001 £
Donation received	20,000	-
31 August 2002	20,000	-

The bursary fund, donated during the year, is to provide bursaries to pupils of the School in certain instances of financial hardship.

17 Revaluation reserve

Group and company	2002 £	2001 £
31 August 2001	952,840	974,496
Transfer to accumulated fund	(21,656)	(21,656)
31 August 2002	931,184	952,840

18 Reconciliation of funds to reserves

	Unrestricted fund			Restricted funds		
	Accumulated fund	Revaluation reserve	Total	Charitable fund	Bursary fund	Total
Group						
31 August 2001	4,533,617	952,840	5,486,457	414,396	-	414,396
Movement in funds						
Incoming resources	5,122,854	-	5,122,854	-	20,000	20,000
Expenditure, gains, losses and transfers	(4,663,108)	(21,656)	(4,684,764)	25,519	-	25,519
31 August 2002	4,993,363	931,184	5,924,547	439,915	20,000	459,915
Unrestricted funds						5,924,547
Restricted funds						459,915
Total fund						6,384,462

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	Unrestricted funds			Restricted fund
	Accumulated fund	Revaluation reserve	Total	Charitable fund
Company				
31 August 2001	4,044,465	952,840	4,997,305	414,396
Movement in funds				
Income resources	5,844,678	-	5,844,678	-
Expenditure, gains, losses and transfers	(4,975,285)	(21,656)	(4,996,941)	25,519
31 August 2002	4,913,858	931,184	5,845,042	439,915
Unrestricted fund				5,845,042
Restricted fund				439,915
Total reserves				6,284,957

19 Analysis of the net assets between funds

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

Group	Tangible fixed assets	Net current assets/(liabilities)	Long term liabilities	Total
	£	£	£	£
Restricted funds	-	459,915	-	459,915
Unrestricted funds	9,375,184	(2,528,897)	(921,740)	5,924,547
	9,375,184	(2,068,982)	(921,740)	6,384,462

20 Contingent liabilities and financial commitments

- (1) The company has given an undertaking to Woodard Schools (Northern Division) Limited ("Woodard") that in the event of the property acquired from Woodard on 29 May 1986 or any part thereof being sold or the company granting a lease of that property or any part thereof (except a lease at full market value) within twenty one years of 29 May 1986, then the company will be liable to pay to Woodard one third of any excess of the net proceeds of sale or premium received by the company over the consideration paid by the company to Woodard.
- (2) The company's bankers hold a fixed charge over the School and sixth form block.

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21 Pensions

There are two pension schemes in operation for the employees. These are a defined contribution scheme and the Teachers' Superannuation Scheme, ("TSS"), a defined benefit pension scheme.

The TSS is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments.

Under definitions set out in Financial Reporting Standard No. 17 - Retirement Benefits ("FRS 17"), the TSS is a multi-employer pension scheme. The School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out below information available on the deficit in the scheme and the implications for the School in terms of the anticipated contribution rates.

The pension cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 1996
Actuarial method	Prospective benefits
Investment returns per annum	8.5% per annum
Salary scale increases per annum	6.5% per annum
Value of notional assets at date of last valuation	£61,710 million
(estimated future contributions together with notional investments held at 31 March 1996)	
Proportion of members' accrued benefits covered by the actuarial value of the assets	94%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 April 2000 to 31 March 2002 the employer contribution was 7.2% plus 0.2% in respect of benefit improvements to the scheme. From 1 April 2002 there was a further increase of 0.95%.

The total pension cost to the company for the year was £153,146 (2000 £142,585) and amounts paid to the TSS have been in accordance with the rates recommended by the actuary.

22 Capital

The school is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so.

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23 Related parties

Three directors and officers (2001 five) of the school have children enrolled at the school. The fees charged in respect of their daughters' education are at the normal, arm's length rates.

Mrs Eleanor King (Chairman) has three daughters (2001 - three) enrolled at the school and received bursaries in respect of them totalling £12,733 (2000 £11,902).

Mr C D Forbes Adam (Director) had rent receivable of £49,239 (2000 £45,385) from the school in relation to property and land that he owns. A prepayment of £4,061 (2001 £4,305) existed at the balance sheet date.

The directors consider that no other disclosures are required under Financial Reporting Standard No. 8 - Related Party Disclosures.