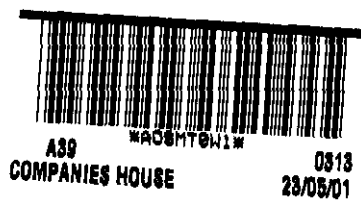


**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**  
**Company Number - 2010493**  
**Registered Charity Number - 517523**

**REPORT AND FINANCIAL STATEMENTS**

**31 August 2000**



**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**YEAR ENDED 31 AUGUST 2000**

**DIRECTORS AND OFFICERS**

**Directors:** Mrs Eleanor King LLB (Chairman)  
Mrs Ann Bates  
Rev Rachel Benson  
Brigadier M A Charlton-Weedy CBE  
C D Forbes Adam Esq  
W T Hartley Esq  
The Hon Fiona Horton  
D A Kerfoot Esq  
C P Moorhouse Esq  
D Sheppard Esq  
R J Shephard Esq  
Mrs Judy Sinclair  
Sir Jack Whitaker

**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

**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)**

**DIRECTORS' REPORT FOR THE YEAR ENDED**  
**31 AUGUST 2000**

The directors present their annual report and financial statements for the year ended 31 August 2000.

**REVIEW OF ACTIVITIES**

The principal activity of the company during the year was the provision of education and training of pupils at Queen Margaret's School.

Both the level of activity and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

**TRADING RESULTS**

The excess of income over expenditure for the year, as set out in the income and expenditure account on page 6, amounted to £380,227, of which £43,293 has been transferred to the charitable fund and the balance of £336,934 has been transferred to the accumulated fund.

**DIRECTORS**

The directors of the company during the year are shown below:-

Mrs Eleanor King LLB (Chairman)  
Mrs Ann Bates  
Rev Rachel Benson (appointed 8 November 1999)  
Brigadier M A Charlton-Weedy CBE  
C D Forbes Adam Esq  
W T Hartley Esq  
The Hon Fiona Horton  
D A Kerfoot Esq (appointed 12 June 2000)  
Mrs P A Langham (resigned 8 November 1999)  
C P Moorhouse Esq  
D Sheppard Esq (appointed 8 November 1999)  
R J Shephard Esq  
Mrs Judy Sinclair (resigned 6 November 2000)  
Sir Jack Whitaker

In accordance with the Articles of Association Mrs E King, R J Shephard, The Hon Fiona Horton, Brigadier Charlton-Weedy CBE, D A Kerfoot, Rev Rachel Benson and D Sheppard retire from the board by rotation, and being eligible, offer themselves for re-election.

**FIXED ASSETS**

Additions to fixed assets are shown in note 4 to the financial statements. The transfer of £744,336 represents the cost of the new swimming pool which was completed during the year. Assets under construction of £398,579 represents preliminary costs in relation to the Centenary project.

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT FOR THE YEAR ENDED**  
**31 AUGUST 2000**

**CHARITABLE STATUS**

The school is a registered charity.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors 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 excess of income over expenditure of the company for that period. In preparing those financial statements, the directors are required to

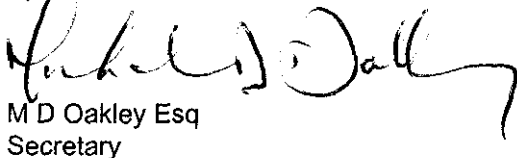
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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 or other irregularities.

**AUDITORS**

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

  
M D Oakley Esq  
Secretary

6 November 2000

## AUDITORS' REPORT TO THE MEMBERS OF QUEEN MARGARET'S SCHOOL, YORK LIMITED (A Company Limited by Guarantee)

### PricewaterhouseCoopers

Queen Victoria House  
PO Box 88  
Guildhall Road  
Hull HU1 1HH  
Telephone +44 (0) 1482 224111  
Facsimile +44 (0) 1482 327479  
Direct fax 01482 327479

We have audited the financial statements on pages 5 to 17.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

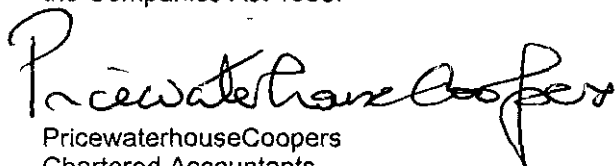
### Basis of audit opinion

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 directors 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 company and the group at 31 August 2000 and of the excess of income over expenditure and cash flows for 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

6 November 2000

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**STATEMENT OF GROUP FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2000**

			2000	1999
	Notes	Unrestricted funds	Restricted Funds	Total
<b>INCOMING RESOURCES</b>				<b>Total</b>
Gross fee income		4,480,925	-	4,480,925
Covenants and donations receivable		-	-	4,132
Income from subsidiary		155,142	-	155,142
Other income		55,489	-	55,489
Interest receivable		<u>25,943</u>	<u>-</u>	<u>25,943</u>
<b>TOTAL INCOMING RESOURCES</b>		<b>£4,717,499</b>	<b>£-</b>	<b>£4,717,499</b>
<b>RESOURCES EXPENDED</b>				
<b>Direct charitable expenditure</b>				
Tuition and associated costs		3,715,384	-	3,715,384
Remissions		<u>245,251</u>	<u>-</u>	<u>245,251</u>
		<b>£3,960,635</b>	<b>£-</b>	<b>£3,960,635</b>
<b>Other expenditure</b>				
Management, administration and interest		<u>£376,637</u>	<u>-</u>	<u>£376,637</u>
<b>TOTAL RESOURCES EXPENDED</b>		<b>£4,337,272</b>	<b>£-</b>	<b>£4,337,272</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>380,227</b>	<b>-</b>	<b>380,227</b>
Transfer between funds		<u>(43,293)</u>	<u>43,293</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		<b>336,934</b>	<b>43,293</b>	<b>380,227</b>
Fund balances brought forward at 31 August 1999		<u>4,635,145</u>	<u>336,180</u>	<u>4,971,325</u>
<b>FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2000</b>	13	<b>£4,972,079</b>	<b>£379,473</b>	<b>£5,351,552</b>

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**GROUP INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2000**

	Notes	2000	1999
<b>GROSS FEE INCOME - continuing operations</b>		4,480,925	4,349,018
Remissions		<u>(245,251)</u>	<u>(229,425)</u>
		4,235,674	4,119,593
Operating expenses		(4,077,782)	(3,884,320)
Other operating income		<u>210,631</u>	<u>139,176</u>
<b>OPERATING SURPLUS - continuing operations</b>	2	368,523	374,449
Interest receivable		25,943	34,815
Interest payable		<u>(14,239)</u>	<u>(178)</u>
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>	10	<u>£380,227</u>	<u>£409,086</u>
<b>NOTE OF HISTORICAL COST INCOME AND EXPENDITURE</b>			
Reported excess of income over expenditure		380,227	409,086
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount		<u>21,656</u>	<u>21,656</u>
Historical cost excess of income over expenditure		<u>£401,883</u>	<u>£430,742</u>

The school had no recognised gains or losses other than those reported above.

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2000**

	Notes	2000	1999
<b>GROSS FEE INCOME - continuing operations</b>		4,480,925	4,349,018
Remissions		<u>(245,251)</u>	<u>(229,425)</u>
		4,235,674	4,119,593
Operating expenses		(4,000,538)	(3,884,320)
Other operating income		<u>55,489</u>	<u>39,176</u>
<b>OPERATING SURPLUS - continuing operations</b>	2	290,625	274,449
Interest receivable		18,148	34,815
Interest payable		<u>(14,239)</u>	<u>(178)</u>
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>	10	<u>£294,534</u>	<u>£309,086</u>

**NOTE OF HISTORICAL COST INCOME AND EXPENDITURE**

Reported excess of income over expenditure	294,534	309,086
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>21,656</u>	<u>21,656</u>
Historical cost excess of income over expenditure	<u>£316,190</u>	<u>£330,742</u>

The school had no recognised gains or losses other than those reported above.



**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**BALANCE SHEETS - 31 AUGUST 2000**

	Notes	<u>Group</u>		<u>Company</u>	
		2000	1999	2000	1999
<b>FIXED ASSETS</b>					
Tangible assets	4	6,405,683	5,417,063	6,405,683	5,417,063
Investments	5	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
		6,405,683	5,417,063	6,405,684	5,417,064
<b>CURRENT ASSETS</b>					
Stocks	6	36,043	33,761	36,043	33,761
Debtors	7	207,149	195,267	236,561	195,267
Cash at bank and in hand		<u>221,639</u>	<u>126,107</u>	<u>534</u>	<u>26,107</u>
		464,831	355,135	273,138	255,135
<b>CREDITORS - amounts falling due within one year</b>	8	<u>(1,256,489)</u>	<u>(642,038)</u>	<u>(1,257,070)</u>	<u>(642,039)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(791,658)</u>	<u>(286,903)</u>	<u>(983,932)</u>	<u>(386,904)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,614,025	5,130,160	5,421,752	5,030,160
<b>CREDITORS - amounts falling due after more than one year</b>	9	<u>(262,473)</u>	<u>(158,835)</u>	<u>(262,473)</u>	<u>(158,835)</u>
<b>NET ASSETS</b>		£5,351,552	£4,971,325	£5,159,279	£4,871,325
<b>CAPITAL AND RESERVES</b>					
Accumulated fund	10	3,997,583	3,638,993	3,805,310	3,538,993
Charitable fund	11	379,473	336,180	379,473	336,180
Revaluation reserve	12	<u>974,496</u>	<u>996,152</u>	<u>974,496</u>	<u>996,152</u>
<b>TOTAL RESERVES</b>	13	£5,351,552	£4,971,325	£5,159,279	£4,871,325
APPROVED BY THE BOARD ON 6 November 2000					

Mrs Eleanor King LLB

C P Moorhouse Esq

DIRECTORS

*Eleanor King*

*C.P. Moorhouse*

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**GROUP CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2000**

	Notes	<u>2000</u>	<u>1999</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	15(1)	591,822	662,983
Interest received		25,943	34,815
Interest paid		<u>(14,239)</u>	<u>(178)</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		11,704	34,637
Payments to acquire tangible fixed assets		(1,209,861)	(901,279)
Receipts from sale of tangible fixed assets		<u>-</u>	<u>-</u>
<b>CAPITAL EXPENDITURE</b>		<u>(1,209,861)</u>	<u>(901,279)</u>
<b>DECREASE IN CASH</b>		<u>£(606,335)</u>	<u>£(203,659)</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Decrease in cash in the year		(606,335)	(203,659)
Net funds at 31 August 1999		<u>126,107</u>	<u>329,766</u>
Net funds at 31 August 2000	15(2)	<u>£(480,228)</u>	<u>£126,107</u>

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000**

**1 ACCOUNTING POLICIES**

**(1) Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the company's freehold land and buildings, and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities" issued by the Charity Commissioners.

**(2) Basis of consolidation**

The group financial statements consolidate the financial statements of the school and its subsidiary undertakings as listed in note 5.

**(3) Depreciation**

Depreciation of tangible fixed assets is calculated by reference to cost at rates estimated to write off the assets over their expected useful lives.

The annual rates are:-

Freehold land	- Nil
Freehold buildings	- 2% & 5%
Motor vehicles	- 25%
Fixtures and fittings	- 15%
Plant and equipment	- 15%

**(4) Stocks**

Stocks are valued at the lower of cost and net realisable value.

**(5) Pensions**

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

Employees also belong to the Teachers' Superannuation Scheme ("TSS"), which is a defined benefit scheme. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives.

**2 OPERATING SURPLUS**

**Operating surplus is stated after charging**

	<b>2000</b>	<b>1999</b>
Auditors' remuneration (including irrecoverable VAT)	£9,200	£8,750
Depreciation of owned tangible fixed assets	£221,241	£195,587
	<hr/>	<hr/>

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000 (CONTINUED)**

3

DIRECTORS AND EMPLOYEES

2000

1999

Staff costs

Wages and salaries

2,414,405

2,341,995

Social security costs

174,189

164,239

Other pension costs

137,192

129,674

£2,725,786

£2,635,908

Number

Number

Average number employed including executive directors

Administration

9

8

Grounds and maintenance

11

11

Tuition

88

90

Catering and household

39

38

147

147

The directors received no emoluments during the year (1999 £Nil).

The number of employees who received emoluments in excess of £40,000 were

£40,001 - £50,000

1

-

£70,001 - £80,000

1

1

4

TANGIBLE FIXED ASSETS

Freehold land and buildings

Assets under construction

Motor vehicles

Fixtures and fittings

Plant and equipment

Total

Cost or valuation

31 August 1999

5,117,382

159,768

78,460

1,203,493

16,587

6,575,690

Transfer

744,336

(744,336)

-

-

-

-

Additions

133,255

983,147

-

91,579

1,880

1,209,861

Disposal

-

-

(2,300)

-

-

(2,300)

31 August 2000

£5,994,973

£398,579

£76,160

£1,295,072

£18,467

£7,783,251

Depreciation

31 August 1999

277,977

-

58,714

813,700

8,236

1,158,627

Charge for year

105,828

-

5,648

107,709

2,056

221,241

Disposal

-

-

(2,300)

-

-

(2,300)

31 August 2000

£383,805

£-

£62,062

£921,409

£10,292

£1,377,568

Net book value

31 August 2000

£5,611,168

£398,579

£14,098

£373,663

£8,175

£6,405,683

Cost or valuation comprises

Cost

2,234,973

398,579

76,160

1,295,072

18,467

4,023,251

Valuation - 1996

3,760,000

-

-

-

-

3,760,000

£5,994,973

£398,579

£76,160

£1,295,072

£18,467

£7,783,251

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000 (CONTINUED)**

**4 TANGIBLE FIXED ASSETS (CONTINUED)**

	2000	1999
<b>Historic cost and depreciation</b>		
Historic cost of freehold land and buildings	£4,950,916	£4,073,325
Historic accumulated depreciation of freehold land and buildings	£314,244	£230,072
	<u>                    </u>	<u>                    </u>
<b>Future capital commitments</b>		
Contracted for but not provided	£100,000	£-
	<u>                    </u>	<u>                    </u>

The school has adopted the transitional provisions of Financial Reporting Standard No 15 "Tangible Fixed Assets" and as a result no further revaluations will be carried out and previous surpluses will be retained.

**5 INVESTMENTS**

			Subsidiary undertaking
31 August 1999 and 31 August 2000			£1
			<u>                    </u>
	Country of incorporation	Proportion of shares held	Nature of business
<b>Subsidiary undertaking</b>			
Queen Margaret's School (York) 1997 Limited	England	100%	Dormant
Queen Margaret's School (York) Charitable Fund	England	-	Fund raising

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.

	2000	1999
<b>The activities and net assets of the subsidiary and associated undertakings, excluding intra group transactions comprise</b>		
Donations received	155,142	100,000
Administrative expenses	(77,244)	-
Interest receivable	<u>7,795</u>	<u>                    </u>
Excess of income over expenditure	£85,693	£100,000
	<u>                    </u>	<u>                    </u>
Net assets	£192,273	£100,000
	<u>                    </u>	<u>                    </u>

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000 (CONTINUED)**

<b>6</b>	<b>STOCKS</b>			<b>2000</b>	<b>1999</b>
	Consumable stores			£36,043	£33,761
				<u>          </u>	<u>          </u>
<b>7</b>	<b>DEBTORS</b>		<b>Group</b>		<b>Company</b>
		<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	Trade debtors	91,362	93,974	91,362	93,974
	Other debtors	25,769	17,179	10,837	17,179
	Prepayments and accrued income	90,018	84,114	90,018	84,114
	Amount owed from subsidiary undertaking	<u>          </u>	<u>          </u>	<u>44,344</u>	<u>          </u>
		£207,149	£195,267	£236,561	£195,267
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>8</b>	<b>CREDITORS - Amounts falling due within one year</b>				
	Bank overdraft (note 14(2))	701,867	-	701,867	-
	Trade creditors	131,300	287,835	131,300	287,835
	Amounts owed to subsidiary undertaking	-	-	581	1
	School fees and discounted fees in advance	298,333	240,144	298,333	240,144
	Taxation and social security	55,373	51,875	55,373	51,875
	Accruals and deferred income	56,616	49,184	56,616	49,184
	Deposits	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>
		£1,256,489	£642,038	£1,257,070	£642,039
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>9</b>	<b>CREDITORS - Amounts falling due after more than one year</b>			<b>2000</b>	<b>1999</b>
	Discounted fees in advance			201,073	100,235
	Deposits			<u>61,400</u>	<u>58,600</u>
				£262,473	£158,835
				<u>          </u>	<u>          </u>

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000 (CONTINUED)**

<b>10</b>	<b>ACCUMULATED FUND</b>	<b>2000</b>	<b>1999</b>
	<b>GROUP</b>		
	31 August 1999	3,638,993	3,261,031
	<b>Excess of income over expenditure for the year</b>		
	Accumulated fund	380,227	404,954
	Appeal fund	<u>-</u>	<u>4,132</u>
		380,227	409,086
	Transfer to charitable fund	(104,447)	(99,473)
	Transfer from charitable fund	61,154	46,693
	Transfer from revaluation reserve	<u>21,656</u>	<u>21,656</u>
	31 August 2000	<u>£3,997,583</u>	<u>£3,638,993</u>
	<b>COMPANY</b>		
	31 August 1999	3,538,993	3,261,031
	<b>Excess of income over expenditure for the year</b>		
	Accumulated fund	294,534	304,954
	Appeal fund	<u>-</u>	<u>4,132</u>
		294,534	309,086
	Transfer to Queen Margaret's School (York) Charitable Fund	(6,580)	-
	Transfer to charitable fund	(104,447)	(99,473)
	Transfer from charitable fund	61,154	46,693
	Transfer from revaluation reserve	<u>21,656</u>	<u>21,656</u>
	31 August 2000	<u>£3,805,310</u>	<u>£3,538,993</u>
<b>11</b>	<b>CHARITABLE FUND</b>	<b>2000</b>	<b>1999</b>
	31 August 1999	336,180	283,400
	Transfer to accumulated fund	(61,154)	(46,693)
	Transfer from accumulated fund	<u>104,447</u>	<u>99,473</u>
	31 August 2000	<u>£379,473</u>	<u>£336,180</u>

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000 (CONTINUED)**

12	REVALUATION RESERVE	2000	1999
	31 August 1999	996,152	1,017,808
	Transfer to accumulated fund	<u>(21,656)</u>	<u>(21,656)</u>
	31 August 2000	<u>£974,496</u>	<u>£996,152</u>
13	RECONCILIATION OF RESERVES TO FUNDS	Income Funds	
		Unrestricted fund	Restricted fund
		Accumulated fund	Charitable fund
		Revaluation reserve	
		Total	
	<b>GROUP</b>		
	31 August 1999	3,638,993	996,152
	<b>Movement in funds</b>		
	Incoming resources	4,717,499	-
	Expenditure, gains, losses and transfers	<u>(4,358,909)</u>	<u>(21,656)</u>
	31 August 2000	<u>£3,997,583</u>	<u>£4,972,079</u>
	Unrestricted fund		4,972,079
	Restricted fund		<u>379,473</u>
	<b>Total reserves</b>		<u>£5,351,552</u>
	<b>COMPANY</b>		
	31 August 1999	3,538,993	996,152
	<b>Movement in funds</b>		
	Incoming resources	4,554,562	-
	Transfer to Queen Margaret's School (York) Charitable Fund	(6,580)	-
	Expenditure, gains, losses and transfers	<u>(4,281,665)</u>	<u>(21,656)</u>
	31 August 2000	<u>£3,805,310</u>	<u>£4,779,806</u>
	Unrestricted fund		4,779,806
	Restricted fund		<u>379,473</u>
	<b>Total reserves</b>		<u>£5,159,279</u>



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**14 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 freehold land and buildings.

<b>15 NOTES TO THE CASH FLOW STATEMENT</b>	<b>2000</b>	<b>1999</b>
<b>(1) Reconciliation of operating surplus to net cash inflow from operating activities</b>		
Operating surplus	368,523	374,449
Depreciation	221,241	195,587
Increase in stocks	(2,282)	(6,037)
Increase in debtors	(11,882)	(17,975)
Increase in creditors	<u>16,222</u>	<u>116,959</u>
Net cash inflow from operating activities	<u>£591,822</u>	<u>£662,983</u>
<b>(2) Analysis of changes in cash</b>	<b>31 August 1999</b>	<b>Cash flow 31 August 2000</b>
Cash at bank and in hand	<u>£126,107</u>	<u>£(606,335)</u>
		<u>£(480,228)</u>

**16 PENSIONS**

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

The pension costs of the TSS are assessed in accordance with the advice of the Government Actuary, using normal actuarial principles. The latest valuation of the scheme was at 31 March 1991. It was assumed that the rate of return on investments would exceed salary increases by 2%. The actuarial report revealed that the total liabilities of the TSS amounted to £49,444 million and the value of the assets was £48,192 million, a funding level of 97.5%. The actuary concluded that the deficiency of £1,252 million would require supplementary contributions by employers at the rate of 0.5% per annum commencing on 1 April 1997. In the event, the employers contribution remained at 7.2% until 31 March 2000.

The standard contribution from 1 April 2000 has been set at 13.4% of salaries. Of this standard contribution 6% is paid by the employees. Employers' contributions are thus 7.4% of salaries.

The total pension cost to the company for the year was £137,192 (1999 £129,674) and amounts paid to the TSS have been in accordance with the rates recommended by the actuary.

**QUEEN MARGARET'S SCHOOL, YORK LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2000 (CONTINUED)**

**17 RELATED PARTIES**

Seven directors and officers of the school have children enrolled at the school. The fees charged in respect of their daughters' education are at the normal, arms length rates.

Mrs Eleanor King (Chairman) has 2 daughters (1999 - 2) enrolled at the school and received bursaries in respect of them totalling £6,297 (1999 £5,969).

Mr C D Forbes Adam (Director) had rent receivable of £45,663 (1999 £38,132) and premiums of £Nil (1999 £20,000) from the school in relation to property and land that he owns. A prepayment of £4,058 (1999 £7,856) existed at the balance sheet date.

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