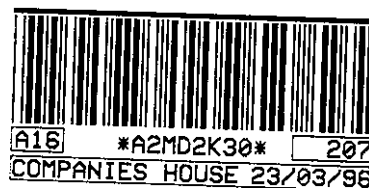


THE KING'S SCHOOL, ELY
(company limited by guarantee)

Report and Financial Statements

31 August 1995

Deloitte & Touche
Leda House
Station Road
Cambridge
CB1 2RN





REPORT AND FINANCIAL STATEMENTS 1995

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 August 1995.

ACTIVITIES

King's School, Ely is engaged in the provision of primary and secondary education.

REVIEW OF DEVELOPMENTS

This year has seen an increase in the level of profit. This was the result of better pupil recruitment than forecast. It is anticipated that profits will remain stable through next year and then show gradual growth from September 1996. During the year the School has purchased Egremont House in order to improve and expand our pre preparatory provision with effect from September 1996. Construction of an all weather hockey and tennis facility is well under way.

TRANSFERS TO RESERVES

Under the memorandum of association of King's School, Ely, all retained profits are required to be transferred to non-distributable reserves. The retained profits for the year are £418,461 (1994 - £110,583).

FIXED ASSETS

Details of movements in fixed assets are given in notes 8 and 9 to the accounts.

DIRECTORS

All the directors are members of the company and as such have given guarantees not exceeding one pound whilst they are members of the company and for one year after ceasing to be a member. The directors who served during the year were as follows:

Robin Bond Thain
Dennis Albert Adams
Douglas Edgar Mills (retired 1 July 1995)
Walter Bebbington
John Edgar Grande (resigned 18 January 1995)
Margaret Constance Green
David Owen Arthur Morbey (retired 1 July 1995)
Marilyn Thompson Nickson
Edward de Toesny Wingfield Longford (retired 1 July 1995)
Marion Louise Hardiment
Anthony John Merrifield
Jane Margaret Renfrew
Ernest Jackson Lawson Soulsby
Michael John Higgins
Edmund John Phillip Browne (appointed 1 July 1995)
James Brooke Fairbairn (appointed 1 July 1995)
Martin Harold Gruselle (appointed 1 July 1995)
Frederick James Kilner (appointed 1 July 1995)
Yvonne Maria Cripps (appointed 1 July 1995)

COMPANY STATUS

The company is limited by guarantee and is trustee of the charity 'The King's School, Ely' under the sealed scheme dated 31 August 1990. The company has charitable status for taxation purposes.



DIRECTORS' REPORT

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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 as at the end of the financial year and of the profit or loss 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;
- 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. 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.

Approved by the Board of Directors
and signed on behalf of the Board



J. M. A. 1823

Secretary

9 December 1995



Chartered Accountants

Deloitte & Touche
Leda House
Station Road
Cambridge CB1 2RN

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International +44 1223 460222
Fax (Gp. 3): 01223 350839
DX 5812

THE KING'S SCHOOL, ELY (company limited by guarantee)

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

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

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 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 the company's affairs as at 31 August 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

7 February 1996


PROFIT AND LOSS ACCOUNT
Year ended 31 August 1995

	Note	1995 £	1994 £
TURNOVER: continuing operations	1	5,112,130	4,895,538
Cost of sales		3,209,339	3,175,776
Gross profit		1,902,791	1,719,762
Administrative expenses		1,608,498	1,589,733
Other operating income	3	(160,872)	(132,846)
		1,447,626	1,456,887
OPERATING PROFIT: continuing operations	4	455,165	262,875
Income from investments	5	42,294	46,134
Other interest receivable and similar income	6	157,148	38,721
Interest payable and similar charges	7	(86,582)	(92,386)
		112,860	(7,531)
PROFIT ON ORDINARY ACTIVITIES		568,025	255,344
APPROPRIATION OF PROFIT			
Profit on ordinary activities		568,025	255,344
Less: scholarships and bursaries included within turnover but borne by the school		(140,594)	(136,862)
Plus: amount invested for staff pension fund charged within administrative expenses		1,020	1,020
Surplus of income over expenditure on scholarship and prize fund account		(9,990)	(8,919)
Profit appropriated		418,461	110,583

There are no recognised gains and losses for the current financial year and preceding financial year other than those stated in the profit and loss account and appropriation of profit statement.

STATEMENT OF MOVEMENTS ON RESERVES
Year ended 31 August 1995

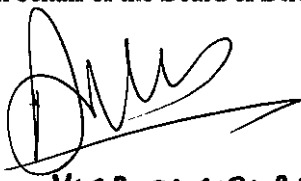
	Other reserves £	General reserve £	Total £
Balance at 1 September 1994	887,444	5,313,612	6,201,056
Net transfer between reserves	114,044	(114,044)	-
Profit retained for the year	-	418,461	418,461
Balance at 31 August 1995	1,001,488	5,618,029	6,619,517


BALANCE SHEET
31 August 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	5,710,166	5,309,932
Investments	9	940,990	826,946
		<u>6,651,156</u>	<u>6,136,878</u>
CURRENT ASSETS			
Stocks	10	223,729	241,144
Debtors: amounts falling due after more than one year	11	886,378	861,100
Debtors: amounts falling due within one year	11	232,046	287,610
Cash at bank and in hand		504,632	612,202
		<u>1,846,785</u>	<u>2,002,056</u>
CREDITORS: amounts falling due within one year			
Bank loans	12	88,415	80,000
Trade creditors		183,096	191,775
Other creditors including taxation and social security	13	393,038	408,122
		<u>664,549</u>	<u>679,897</u>
NET CURRENT ASSETS		<u>1,182,236</u>	<u>1,322,159</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,833,392</u>	<u>7,459,037</u>
CREDITORS: amounts falling due after more than one year			
	14	(1,213,875)	(1,257,981)
		<u>6,619,517</u>	<u>6,201,056</u>
NON-DISTRIBUTABLE RESERVES			
General reserve		5,618,029	5,313,612
Other reserves	16	1,001,488	887,444
		<u>6,619,517</u>	<u>6,201,056</u>

 These financial statements were approved by the Board of Directors on **9 DECEMBER 1995**

Signed on behalf of the Board of Directors


 Director **VICE CHAIRMAN**


CASH FLOW STATEMENT
Year ended 31 August 1995

	Note	£	1995 £	£	1994 £
Net cash inflow from operating activities	17		696,474		479,271
Returns on investments and servicing of finance					
Interest received		52,329		42,777	
Charities Official Investment Fund income					
shares		26,255		24,013	
Interest paid		(11,305)		(10,234)	
Net cash inflow from returns on investments and servicing of finance			67,279		56,556
Net cash inflow from endowments, covenants and donations and sundry income			4,624		4,929
Taxation					
Taxation recovered on fees composition scheme			833		833
Investing activities					
Payments to acquire tangible fixed assets		(726,781)		(180,608)	
Capital repaid (introduced) on School Fees					
Composition Scheme Annuity		1,099		1,099	
Charities Official Investment Fund income					
shares purchased		(29,238)		(21,180)	
Increase in cash on deposit		(85,905)		(82,609)	
Proceeds from sale of tangible fixed assets		2,646		13,113	
Net cash outflow from investing activities			(838,179)		(270,185)
Net cash (outflow) inflow before financing			(68,969)		271,404
Financing					
Net repayment of loans		(38,601)		(16,000)	
Net cash outflow from financing	19		(38,601)		(16,000)
(Decrease) increase in cash and cash equivalents	18		(107,570)		255,404

NOTES TO THE ACCOUNTS
Year ended 31 August 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover is the amount derived from the tuition and boarding fees, the provision of meals, books and music lessons less unfunded scholarships, bursaries and allowances.

Tangible fixed assets

Freehold land and buildings

No depreciation is provided on freehold land.

Depreciation is provided on freehold buildings at 2% per annum.

Leasehold property

Depreciation is provided by ten equal annual instalments or the remaining period of the lease if shorter.

Equipment

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are:

Fixtures, fittings, furniture and equipment	15% per annum
Catering equipment, teaching aids, mowers and implements	20% per annum
Plant and musical instruments	10% per annum
Vehicles	25% per annum

Investments

Investments are represented by cash on deposit plus the cost of investments purchased or their market value if lower.

Stocks

Stocks are stated at the lower of cost and net realisable value; in respect of crockery, cutlery, linen and soft furnishings the realisable value is estimated to be the written down value after depreciation of 25% per annum.

Taxation

Income tax recoverable is included in prepayments and accrued income on the following basis:

Income tax recoverable on school fee composition scheme annuities is taken into account in the same period as the covenanted amount is received. Income tax recoverable in respect of the appeal fund covenants is brought into account in the period in which a claim is submitted.

Pension costs

The company operates a defined contribution money purchase pension scheme for administrative staff, and a separate superannuation scheme on behalf of teaching staff. Pension contributions are charged to the profit and loss account in the year in which they fall due.


NOTES TO THE ACCOUNTS
Year ended 31 August 1995
2. INFORMATION REGARDING EMPLOYEES

	1995	1994
	No	No
Average number of persons employed		
Teaching	89	86
Establishment	86	87
	<u>175</u>	<u>173</u>
	£	£
Staff costs during the year		
Wages and salaries	2,796,998	2,814,387
Social security costs	201,880	211,829
Other pension costs	159,339	165,541
	<u>3,158,217</u>	<u>3,191,757</u>

3. OTHER OPERATING INCOME

	1995	1994
	£	£
Rent of rooms and charges for services	160,104	130,727
Rent receivable	-	359
Income from functions	768	1,760
	<u>160,872</u>	<u>132,846</u>

4. OPERATING PROFIT

	1995	1994
	£	£
Operating profit is after charging:		
Depreciation	318,109	293,508
Auditors' remuneration	9,400	9,000
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

5. INCOME FROM INVESTMENTS

	1995	1994
	£	£
Charities Official Investment Fund income shares	26,255	24,013
Bank deposit and building society interest	15,444	21,426
Pension fund interest	595	695
	<u>42,294</u>	<u>46,134</u>


NOTES TO THE ACCOUNTS

Year ended 31 August 1995

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Tax recovered on fees composition scheme	833	833
Bank interest	36,290	20,656
Endowment	-	500
Covenants and donations	13,408	13,348
Sundry income	1,206	-
Interest receivable	75,277	82,152
Decrease (increase) in provision for interest receivable	30,134	(78,768)
	<u>157,148</u>	<u>38,721</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank interest	11,305	10,234
Loan interest	75,277	82,152
	<u>86,582</u>	<u>92,386</u>
The above includes interest in respect of borrowings repayable within five years	<u>11,305</u>	<u>10,234</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold property £	Equipment £	Total £
Cost				
At 1 September 1994	4,802,631	829,372	1,262,200	6,894,203
Additions	442,981	44,737	239,063	726,781
Disposals	-	-	(25,008)	(25,008)
At 31 August 1995	<u>5,245,612</u>	<u>874,109</u>	<u>1,476,255</u>	<u>7,595,976</u>
Accumulated depreciation				
At 1 September 1994	363,569	301,439	919,263	1,584,271
On disposals	-	-	(16,570)	(16,570)
Charge for the year	104,912	78,253	134,944	318,109
At 31 August 1995	<u>468,481</u>	<u>379,692</u>	<u>1,037,637</u>	<u>1,885,810</u>
Net book value				
At 31 August 1995	<u>4,777,131</u>	<u>494,417</u>	<u>438,618</u>	<u>5,710,166</u>
At 31 August 1994	<u>4,439,062</u>	<u>527,933</u>	<u>342,937</u>	<u>5,309,932</u>


NOTES TO THE ACCOUNTS
Year ended 31 August 1995
8. TANGIBLE FIXED ASSETS (continued)

Capital commitments	1995	1994
	£	£
Future capital expenditure at 31 August 1995 comprised the following:		
Contracted for:		
35 St Mary's Street	-	25,000
Barton Farm, all weather hockey pitch	360,000	-
Junior School reroofing	-	23,906
Biology lab.	-	8,927
	<u>360,000</u>	<u>57,833</u>
Authorised, not contracted for	-	45,800
	<u>-</u>	<u>45,800</u>

9. INVESTMENTS HELD AS FIXED ASSETS

	School Fees Composition Scheme Annuity	Charities Official Investment Fund Income shares	Cash on deposit	Total
	£	£	£	£
Cost at 1 September 1994	2,252	310,906	513,788	826,946
Capital repaid	(1,099)	-	-	(1,099)
Income shares purchased	-	29,238	-	29,238
Movements in the year	-	-	85,905	85,905
	<u>1,153</u>	<u>340,144</u>	<u>599,693</u>	<u>940,990</u>
Cost at 31 August 1995	<u>1,153</u>	<u>340,144</u>	<u>599,693</u>	<u>940,990</u>

The income shares are held in the Charities Official Investment Fund and total 87,748.92 units.

The market value of these units at 31 August 1995 was £619,753.

10. STOCKS

	1995	1994
	£	£
Books and stationery	90,998	111,236
Provisions	6,993	5,724
Fuel	270	224
Ely scheme	4,682	5,472
Crockery, cutlery, linen and soft furnishings	92,775	99,799
Office stationery	5,020	3,182
Teaching materials	17,267	9,928
Building materials	5,450	5,279
Potticary medals	242	273
Prizes	32	27
	<u>223,729</u>	<u>241,144</u>


NOTES TO THE ACCOUNTS
Year ended 31 August 1995
11. DEBTORS

	1995 £	1994 £
Amounts falling due within one year:		
Trade and fee debtors	186,568	238,317
Prepayments and accrued income	25,478	29,293
Deposit recoverable from Nelson Hind	20,000	20,000
	<u>232,046</u>	<u>287,610</u>
Amounts recoverable after more than one year:		
Amounts recoverable from the landlord for renovating certain of the company's leasehold properties	1,172,602	1,177,458
Amounts not covered by future rents payable	(286,224)	(316,358)
	<u>886,378</u>	<u>861,100</u>

12. BANK LOANS

	1995 £	1994 £
Acremont House bank loan	64,000	80,000
King's School bank loan (note 14)	24,415	-
	<u>88,415</u>	<u>80,000</u>

The Acremont House bank loan is secured by a legal charge on that property.

13. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1995 £	1994 £
Payments received on account of fees	353,950	315,298
Taxation and social security	1,191	66,805
Other creditors:		
Scholarship and prize fund account	8,484	8,624
Acceptance deposits	18,850	16,950
Clearing accounts	10,563	445
	<u>37,897</u>	<u>26,019</u>
	<u>393,038</u>	<u>408,122</u>



NOTES TO THE ACCOUNTS
Year ended 31 August 1995

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
King's School bank loan	1,125,585	-
Capitular properties bank loan	-	1,177,457
Acceptance deposits	88,290	80,524
	<u>1,213,875</u>	<u>1,257,981</u>

The King's School bank loan is secured on the company's freehold property known as The Barton Farm House and is repayable in quarterly instalments over 18 years. Interest is payable at a fixed rate of 9.864% until April 2005 whereupon the interest rate will be reviewed.

The analysis of acceptance deposits between those repayable between one and two years, between two and five years and after five years cannot be readily determined as their repayment only falls due on the event of a pupil leaving the school.

The King's School bank loan repayments can be analysed as follows:

	£
Due within one year	24,415
Between one and two years	27,226
Between two and five years	99,146
Due after more than five years	<u>999,213</u>
Total repayments	<u>1,150,000</u>

15. SHARE CAPITAL

The King's School, Ely is a company limited by guarantee.

In the event of the company being wound up each member or within one year of ceasing to be a member is liable to contribute a maximum of one pound. The maximum sum guaranteed at 31 August 1995 is £19.

THE KING'S SCHOOL, ELY
(company limited by guarantee)



NOTES TO THE ACCOUNTS
Year ended 31 August 1995

16. OTHER RESERVES

	Capital Develop- ment Fund £	Scholar- ship Fund £	General Bursary Fund £	Ex- choris- ters' Bursary Fund £	External Bursaries and Minor Scholar- ships and Prize Fund £	School Fees Compo- sition Scheme £	Staff Pension Fund £	Junior School Fund £	Musical Instru- ments Fund £	Council for Music, Art and Drama Fund £	Boat Fund £	Computer Replace- ment Fund £	Appeal Fund £	Agremont House £	Total £
Balance at 1 September 1994	545,374	19	106,325	195,229	9,354	2,251	20,174	4,958	31	945	2	1,870	80	832	887,444
Appropriations (page 4)															
From profit and loss account	129,227	-	555	28,683	-	-	1,020	709	-	2,178	-	686	-	-	163,058
To profit and loss account	-	-	-	-	-	(3,599)	(6,031)	-	-	-	-	-	-	(337)	(9,967)
Interest on investments	12,916	4	-	-	-	2,500	595	10	-	2	-	5	1	-	16,033
Donations and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	375	-	375
Less transfer to general reserve	142,143	4	555	28,683	-	(1,099)	(4,416)	719	-	2,180	-	691	376	(337)	169,499
Net movement	55,000	-	-	-	-	-	-	-	-	-	-	-	455	-	55,455
	87,143	4	555	28,683	-	(1,099)	(4,416)	719	-	2,180	-	691	(79)	(337)	114,044
Balance at 31 August 1995	632,517	23	106,880	223,912	9,354	1,152	15,758	5,677	31	3,125	2	2,561	1	495	1,001,488

Certain funds shown above, namely the External Bursaries and Minor Scholarships and Prize Fund, the School Fees Composition Scheme and the Appeal Fund have limitations placed upon the disposition of the income generated from their underlying investments in accordance with the terms laid down by their founders.


NOTES TO THE ACCOUNTS

Year ended 31 August 1995

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	455,165	262,875
Depreciation charges	318,109	293,508
Loss (profit) on sale of fixed assets	5,792	(2,226)
(Decrease) increase in creditors	(15,997)	93,798
Decrease (increase) in stocks	17,415	(28,101)
Decrease (increase) in debtors	55,564	(4,741)
Scholarships and bursaries included in turnover but borne by the school	(140,594)	(136,862)
Transfer to staff pension fund	1,020	1,020
Net cash inflow from operating activities	696,474	479,271

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £	1994 £
Balance at 1 September 1994	612,202	356,798
Net cash (outflow) inflow	(107,570)	255,404
Balance at 31 August 1995	504,632	612,202

Cash and cash equivalents represent cash at bank and in hand

19. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Bank loans 1995 £	Bank loans 1994 £
Balance at 1 September 1994	1,257,457	1,227,993
Interest rolled up	75,277	82,152
Interest attributable to landlord	-	(3,384)
Loan repaid by landlord	(80,133)	(33,304)
Repayment of Capitular properties bank loan	(1,172,601)	-
Receipt of King's School bank loan	1,150,000	-
Cash outflow from financing	(16,000)	(16,000)
Balance at 31 August 1995	1,214,000	1,257,457