



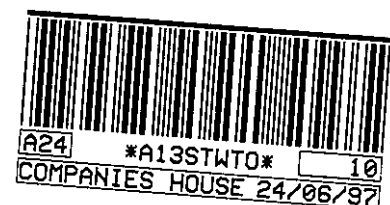
THE KING'S SCHOOL, ELY
(company limited by guarantee)

Report and Financial Statements

31 August 1996

Deloitte & Touche
Leda House
Station Road
Cambridge
CB1 2RN

(- 13/02/97)



**REPORT AND FINANCIAL STATEMENTS 1996**

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DIRECTORS, GOVERNORS, OFFICERS AND ADVISORS

Directors and Governors (Directors): All the Directors are members of the Governing Body and Trustees of the Charity as well as being members of the Company. As members of the Company each 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:

	Notes
Robin Bond Thain	1,5,6,7
Dennis Albert Adams	2,7
Walter Bebbington	3,6
Margaret Constance Green (retired 29.6.96)	1,6
Marilyn Thompson Nickson (Chairman)	1,5,6,7
Marion Louise Hardiment	1,6
Anthony John Merrifield (Vice Chairman)	1,5,6,7
Jane Margaret Renfrew	1,5
Ernest Jackson Lawson Soulsby (retired 29.6.96)	1,5
Michael John Higgins (ex-officio - The Dean of Ely Cathedral)	
Edmund John Phillip Browne	1,6
Yvonne Maria Cripps	4,5
James Brooke Fairbairn	1,7
Martin Harold Gruselle	1,5,6,7
Frederick James Kilner	2,7
Michael Valentine Bright (appointed 29.6.96)	1,7
Janet May Evans (appointed 29.6.96)	1,6
John Bourne Shropshire (appointed 29.6.96)	1,5

NOTES

1. Co-optative Governors
2. Dean & Chapter of Ely Cathedral Representative Governors
3. Ely Diocesan Board of Education Representative Governor
4. Cambridge University Representative Governor
5. Member of the Finance & General Purposes Committee
6. Member of the Management Committee
7. Member of the Building & Resources Committee

The Co-optative Governors are appointed by the Governing Body for the time being. The Dean & Chapter of Ely Cathedral is entitled to appoint 2 Governors (in addition to the Dean of Ely Cathedral who is normally an ex-officio Governor). The Ely Diocesan Education Board is entitled to appoint 1 representative Governor. Cambridge University is entitled to appoint 1 representative Governor. All other Governors are co-optative. One third of the Governing Body retire each year.



DIRECTORS, GOVERNORS, OFFICERS AND ADVISORS

OFFICERS

The Headmaster: Richard Hindmoor Youdale

Bursar, Clerk to the Governing Body and Company Secretary: Jonathan Mowbray Ayers

The day to day running of the School is delegated to the Headmaster and the Bursar.

ADDRESS

The King's School Ely, Barton Road, Ely, Cambridgeshire CB7 4DB.

ADVISORS

Bankers: Lloyds Bank Plc, Minster Place, Ely

Solicitors: Archer & Archer, Market Place, Ely

Auditors: Deloitte & Touche, Leda House, Station Road, Cambridge

Investment Advisors: The Charity Official Investment Fund, St Alphage House,
2 Fore Street, London

Architects: Purcell Miller & Tritton, St Mary's Street, Ely

Insurance Brokers: Holmwoods Insurance Services Limited, Rockwood House,
9-17 Perrymount Road, Haywards Heath, West Sussex



TRUSTEES' ANNUAL REPORT AND STATUTORY DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 August 1996.

Status and Administration

The Company was incorporated on 6 November 1989, under the terms of the Sealed Scheme last up-dated on the 31 August 1990. The assets of The King's School, Ely were vested in the Company and the Company became the trustee of the School. Under the Memorandum and Articles of Association of the Company only Directors of the Company shall be appointed Governors of the School. The Company has charitable status for taxation purposes.

Objects

The objects of the Company are to provide education and all facilities at The King's School, Ely for children of all ages and both sexes. The School operates in four sections; nursery, pre-preparatory, preparatory and senior; each having its own Head. The Head of the nursery reports through the Head of the pre-preparatory section. The Head of the pre-preparatory section and the Head of the preparatory section report to the Governors through the Headmaster. The School provides facilities for both day and (from age 7) boarding pupils.

Policy

It is the policy of the School to enable pupils to attain the highest academic levels as well as providing an extra-curricular programme which aims to develop life-long leisure interests and help build self-confidence and a desire to contribute to the community.

Review of Activities

In 1995/96 The King's School had 801 pupils and future enquiries give us confidence that these numbers will be maintained. The School is being re-structured with effect from September 1996 to enable the preparatory section of the School to accept year 4 pupils, i.e. one year earlier than had hitherto been the policy. The effect of this change is to make available an additional 24 places in the School. In addition a relocation and re-structuring of our pre-preparatory section will make a further 24 new places available within that part of the School. Also with effect from September 1996 the School will open a nursery school for children aged between 2 and 4 years old for up to 32 children per session with 10 sessions being offered per week. The total effect of these changes is to make available 80 new places within the School as a whole.

The King's School enjoys an enviable and well-deserved reputation for enabling its pupils to achieve their maximum potential given the wide range of entry standards. We are pleased that we are members of the Assisted Places Scheme and with the present Government this Scheme is to continue. During the year we were able to award some £250,000 in scholarships, bursaries and grants and this together with our Assisted Places has given us the opportunity to attract pupils who will benefit from the education offered by the School but who could not otherwise afford to attend an independent school.

Developments

During the year the School has opened a new 'Astroturf' at an overall cost of £360,000, which provides much improved floodlit facilities for both hockey and tennis.

The School has also taken a lease from the Needham's Foundation of the Catherine Needham Art Centre, thereby giving us a much improved facility for teaching the visual arts.

**TRUSTEES' ANNUAL REPORT AND STATUTORY DIRECTORS' REPORT****Developments (continued)**

Work was completed on the conversion of a large Edwardian house in Egremont Street which from September 1996 will house our Pre-preparatory School. Also completed during the year was the conversion of our existing Pre-preparatory School to provide accommodation for the Nursery Department. The cost of these two conversions including the acquisition of Egremont House is £500,000.

The School has also completed an extension to the preparatory section to provide accommodation for the Year 4 children and provision of a music teaching and practice facilities. At the same time the School has nearly completed the construction of a new purpose built Design & Technology Department offering facilities for the teaching of Design & Technology (materials), Design & Technology (electronics & robotics), Food technology and Information technology. The cost of these two projects is in the region of £1.2 million.

Financial Results

The profit on ordinary activities of £310,313 less scholarships and Bursaries borne by the School of £165,022 produced a net incoming resource of £145,291 which has been transferred to non-distributable reserves. The full results are shown in the accounts.

The School continues to hire out the School facilities during School term time and vacations and this has contributed £178,758 to the School's funds in the year (1995 - £160,872).

Investment Powers

The Trustees' powers of investment are unfettered. It has been their recent practice to invest funds held for Bursaries, Scholarships and Prizes through the Charities Official Investment Fund. Note 16 to the accounts shows the movements on these funds during the year and, where relevant, gives a description of the terms on which the funds are held. The investments are sufficient to meet the School's obligations on a fund by fund basis.

Asset Cover for Funds

The School's tangible assets consist principally of freehold and leasehold land and buildings; the leasehold buildings are mainly held on leases from the Church Commissioners or the Dean and Chapter of Ely Cathedral with more than 65 years to run. The Trustees consider it appropriate for these properties to be carried in the balance sheet on a cost less depreciation basis of £5.3 million. The properties are currently insured at a rebuilding cost of £22 million.

Approved by the Board on 7 December 1996 and signed on its behalf by:

M Gruselle (Chairman of the Finance & General Purposes Committee)

7 December 1996



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.



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 7 to 17 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 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 1996 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

11 March 1997


PROFIT AND LOSS ACCOUNT
Year ended 31 August 1996

	Note	1996 £	1995 £
TURNOVER: continuing operations	1	5,399,880	5,112,130
Cost of sales		3,549,893	3,209,339
Gross profit		1,849,987	1,902,791
Administrative expenses		1,721,773	1,614,022
Other operating income	3	(178,758)	(160,872)
		1,543,015	1,453,150
OPERATING PROFIT: continuing operations	4	306,972	449,641
Income from investments	5	38,690	42,294
Other interest receivable and similar income	6	78,696	157,148
Interest payable and similar charges	7	(114,045)	(81,058)
		3,341	118,384
PROFIT ON ORDINARY ACTIVITIES		310,313	568,025
APPROPRIATION OF PROFIT			
Profit on ordinary activities		310,313	568,025
Less: net scholarships included within turnover but borne by the school		(165,022)	(150,584)
Plus: amount invested for staff pension fund charged within administrative expenses		-	1,020
Profit appropriated		145,291	418,461

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 1996

	Other reserves £	General reserve £	Total £
Balance at 1 September 1995	1,001,488	5,618,029	6,619,517
Net transfer between reserves	(520,900)	520,900	-
Profit retained for the year	-	145,291	145,291
Balance at 31 August 1996	480,588	6,284,220	6,764,808



BALANCE SHEET
31 August 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	8	6,753,159	5,710,166
Investments	9	358,799	940,990
		<u>7,111,958</u>	<u>6,651,156</u>
CURRENT ASSETS			
Stocks	10	227,463	223,729
Debtors: amounts falling due after more than one year	11	875,735	886,378
Debtors: amounts falling due within one year	11	236,169	232,046
Cash at bank and in hand		393,532	504,632
		<u>1,732,899</u>	<u>1,846,785</u>
CREDITORS: amounts falling due within one year			
Bank loans	12	43,229	40,415
Trade creditors		449,810	183,096
Other creditors including taxation and social security	13	359,870	393,038
		<u>852,909</u>	<u>616,549</u>
NET CURRENT ASSETS		<u>879,990</u>	<u>1,230,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,991,948	7,881,392
CREDITORS: amounts falling due after more than one year	14	(1,227,140)	(1,261,875)
		<u>6,764,808</u>	<u>6,619,517</u>
NON-DISTRIBUTABLE RESERVES			
General reserve		6,284,220	5,618,029
Other reserves	16	480,588	1,001,488
		<u>6,764,808</u>	<u>6,619,517</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

7 December 1996


Director


CASH FLOW STATEMENT
Year ended 31 August 1996

	Note	1996	1995
		£	£
Net cash inflow from operating activities	17	761,737	680,960
Returns on investments and servicing of finance			
Interest received		59,220	52,329
Charities Official Investment Fund income shares		29,220	26,255
Interest paid		<u>(114,045)</u>	<u>(5,781)</u>
Net cash (outflow) inflow from returns on investments and servicing of finance		(25,605)	72,803
Cash inflow from endowments, covenants and donations and sundry income		-	14,614
Taxation			
Taxation recovered on fees composition scheme		-	833
Investing activities			
Payments to acquire tangible fixed assets		(1,412,677)	(726,781)
Additional loan made to landlord		(9,409)	-
Capital repaid on School Fees Composition Scheme Annuity		1,152	1,099
Charities Official Investment Fund income shares purchased		-	(29,238)
Decrease (increase) in cash on deposit		581,038	(85,905)
Proceeds from sale of tangible fixed assets		<u>33,080</u>	<u>2,646</u>
Net cash outflow from investing activities		<u>(806,816)</u>	<u>(838,179)</u>
Net cash outflow before financing		(70,684)	(68,969)
Financing			
Net repayment of loans		<u>(40,416)</u>	<u>(38,601)</u>
Net cash outflow from financing	19	<u>(40,416)</u>	<u>(38,601)</u>
Decrease in cash and cash equivalents	18	<u><u>(111,100)</u></u>	<u><u>(107,570)</u></u>

**NOTES TO THE ACCOUNTS**
Year ended 31 August 1996**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

Assets in the course of construction

No depreciation is provided in respect of assets in the course of construction.

Freehold land and buildings

No depreciation is provided on freehold land.

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

Long 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 1996
2. INFORMATION REGARDING EMPLOYEES

	1996 No	1995 No
Average number of persons employed		
Teaching	89	89
Establishment	87	86
	<u>176</u>	<u>175</u>
	£	£
Staff costs during the year		
Wages and salaries	3,031,780	2,796,998
Social security costs	212,225	201,880
Other pension costs	173,983	159,339
	<u>3,417,988</u>	<u>3,158,217</u>

3. OTHER OPERATING INCOME

	1996 £	1995 £
Rent of rooms and charges for services	168,724	160,104
Income from functions	10,034	768
	<u>178,758</u>	<u>160,872</u>

4. OPERATING PROFIT

	1996 £	1995 £
Operating profit is after charging:		
Depreciation	334,307	318,109
Auditors' remuneration	7,500	9,400
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

5. INCOME FROM INVESTMENTS

	1996 £	1995 £
Charities Official Investment Fund income shares	29,220	26,255
Bank deposit and building society interest	8,982	15,444
Pension fund interest	488	595
	<u>38,690</u>	<u>42,294</u>


NOTES TO THE ACCOUNTS
Year ended 31 August 1996
6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Tax recovered on fees composition scheme	-	833
Bank interest	49,750	36,290
Covenants and donations	-	13,408
Sundry income	-	1,206
Interest recoverable from landlord	112,877	75,277
(Increase) decrease in provision for recovery of interest	(83,931)	30,134
	<u>78,696</u>	<u>157,148</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Interest on bank loans repayable within 5 years	1,168	5,781
Other interest	112,877	75,277
	<u>114,045</u>	<u>81,058</u>

8. TANGIBLE FIXED ASSETS

	Assets in course of construction £	Freehold property £	Long leasehold property £	Equipment £	Total £
Cost					
At 1 September 1995	-	5,245,612	874,109	1,476,255	7,595,976
Additions	688,401	218,325	8,590	497,361	1,412,677
Disposals	-	-	-	(113,845)	(113,845)
At 31 August 1996	<u>688,401</u>	<u>5,463,937</u>	<u>882,699</u>	<u>1,859,771</u>	<u>8,894,808</u>
Accumulated depreciation					
At 1 September 1995	-	468,481	379,692	1,037,637	1,885,810
On disposals	-	-	-	(78,468)	(78,468)
Charge for the year	-	105,237	81,001	148,069	334,307
At 31 August 1996	<u>-</u>	<u>573,718</u>	<u>460,693</u>	<u>1,107,238</u>	<u>2,141,649</u>
Net book value					
At 31 August 1996	<u>688,401</u>	<u>4,890,219</u>	<u>422,006</u>	<u>752,533</u>	<u>6,753,159</u>
At 31 August 1995	<u>-</u>	<u>4,777,131</u>	<u>494,417</u>	<u>438,618</u>	<u>5,710,166</u>


NOTES TO THE ACCOUNTS
Year ended 31 August 1996
8. TANGIBLE FIXED ASSETS (continued)

Capital commitments	1996 £	1995 £
Future capital expenditure at 31 August 1996 comprised the following:		
Contracted for:		
Barton Farm, all weather hockey pitch	-	360,000
Technology Centre and Junior School extension	213,959	-
Egremont House development	14,707	-
	<u>228,666</u>	<u>360,000</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 1995	1,153	340,144	599,693	940,990
Capital repaid	(1,153)	-	-	(1,153)
Movements in the year	-	-	(581,038)	(581,038)
Cost at 31 August 1996	<u>-</u>	<u>340,144</u>	<u>18,655</u>	<u>358,799</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 1996 was £666,550.

10. STOCKS

	1996 £	1995 £
Books and stationery	81,542	90,998
Provisions	6,676	6,993
Fuel	544	270
Ely scheme	2,245	4,682
Crockery, cutlery, linen and soft furnishings	102,321	92,775
Office stationery	2,334	5,020
Teaching materials	22,132	17,267
Building materials	-	5,450
Potticary medals	243	242
Prizes	-	32
Grounds materials	2,805	-
Stocks held for use in Junior School, Technology Centre and Egremont House	6,621	-
	<u>227,463</u>	<u>223,729</u>



NOTES TO THE ACCOUNTS
Year ended 31 August 1996

11. DEBTORS

	1996 £	1995 £
Amount recoverable after more than one year:		
Amount recoverable from the landlord for renovating certain of the company's leasehold properties	1,245,890	1,172,602
Less amounts not covered by estimated future rents	(370,155)	(286,224)
	<u>875,735</u>	<u>886,378</u>
Amounts falling due within one year:		
Trade and fee debtors	197,088	186,568
Prepayments and accrued income	18,541	25,478
Deposit recoverable from Nelson Hind	20,540	20,000
	<u>236,169</u>	<u>232,046</u>

12. BANK LOANS

	1996 £	1995 £
Acremont House bank loan (note 14)	16,000	16,000
King's School bank loan (note 14)	27,229	24,415
	<u>43,229</u>	<u>40,415</u>

13. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1996 £	1995 £
Payments received on account of fees	235,790	353,950
Taxation and social security	69,660	1,191
Pension contributions	29,295	-
Other creditors:		
Scholarship and prize fund account	-	8,484
Acceptance deposits	21,734	18,850
Clearing accounts	3,391	10,563
	<u>25,125</u>	<u>37,897</u>
	<u>359,870</u>	<u>393,038</u>



NOTES TO THE ACCOUNTS
Year ended 31 August 1996

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

	1996 £	1995 £
Acremont House bank loan	32,000	48,000
King's School bank loan	1,098,355	1,125,585
Acceptance deposits	96,785	88,290
	<u>1,227,140</u>	<u>1,261,875</u>

The King's School bank loan is secured on the company's freehold property known as Barton Farm 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 Acremont House bank loan is secured by a legal charge on Acremont House. It is repayable by fixed instalments of £16,000 per annum.

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.

Repayments on bank loans can be analysed as follows:

	1996 £	1995 £
Due within one year	43,229	40,415
Between one and two years	45,961	43,226
Between two and five years	123,864	115,146
Due after more than five years	960,530	1,015,213
	<u>1,173,584</u>	<u>1,214,000</u>

Amounts repayable by instalments some of which fall due after five years:

Banks loans:		
Total amount	1,125,584	1,150,000
Instalments due after five years	960,530	1,015,213

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 person who had been a member within the preceding 12 months is liable to contribute a maximum of one pound. The maximum sum guaranteed at 31 August 1996 is £18.

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

Deloitte & Touche
Yohimatsu
International

Deloitte & Touche



NOTES TO THE ACCOUNTS
Year ended 31 August 1996

16. OTHER RESERVES

	Capital Development Fund	Scholarship Fund	General Bursary Fund	Ex-Choristers' Bursary Fund	External Bursaries and Minor Scholarships and Prize Fund	School Fees Composition Scheme	Staff Pension Fund	Junior School Fund	Musical Instruments Fund	Council for Music, Art and Drama Fund	Boat Fund	Computer Replacement Fund	Appeal Fund	Acronmont House	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance at 1 September 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
Appropriations (page 4)															
From profit and loss account	7,925	-	-	-	-	-	-	-	-	-	-	-	-	892	8,817
To profit and loss account	-	-	-	-	-	(1,152)	-	-	-	-	-	-	-	-	(1,152)
Interest on investments	-	-	-	-	-	-	488	-	-	-	-	-	-	-	488
	7,925	-	-	-	-	(1,152)	488	-	-	-	-	-	-	892	8,153
Less transfer to general reserve	500,000	23	-	-	-	-	16,246	5,677	31	3,125	2	2,561	1	1,387	529,053
Net movement	(492,075)	(23)	-	-	-	(1,152)	(15,758)	(5,677)	(31)	(3,125)	(2)	(2,561)	(1)	(495)	(520,900)
Balance at 31 August 1996	140,442	-	106,880	223,912	9,354	-	-	-	-	-	-	-	-	-	480,588

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 1996
17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit	306,972	449,641
Depreciation charges	334,307	318,109
Loss on sale of fixed assets	2,296	5,792
Increase (decrease) in creditors	242,041	(15,997)
(Increase) decrease in stocks	(3,734)	17,415
(Increase) decrease in debtors	(4,123)	55,564
Scholarships included in turnover but borne by the school	(194,503)	(140,594)
Transfer to staff pension fund	-	1,020
Deficit (surplus) of income over expenditure on bursary and prize fund account	29,481	(9,990)
Rent foregone by landlord	49,000	-
Net cash inflow from operating activities	761,737	680,960

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

	1996 £	1995 £
Balance at 1 September 1995	504,632	612,202
Net cash outflow	(111,100)	(107,570)
Balance at 31 August 1996	393,532	504,632

Cash and cash equivalents represent cash at bank and in hand.

19. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Bank loans 1996 £	Bank loans 1995 £
Balance at 1 September 1995	1,214,000	1,257,457
Interest rolled up	-	75,277
Loan repaid by landlord	-	(80,133)
Repayment of Capitular properties bank loan	-	(1,172,601)
(Repayment) receipt of King's School bank loan	(24,416)	1,150,000
Repayment of Acremont House bank loan	(16,000)	(16,000)
Balance at 31 August 1996	1,173,584	1,214,000