

Confidential
Page

BARROW HILLS SCHOOL WITLEY LIMITED
(A Charitable Company Limited by Guarantee)

TRUSTEES' REPORT

AND

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2000



MacIntyre & Co
Chartered Accountants
Registered Auditors
London

Company Registered No. 2534865

BARROW HILLS SCHOOL WITLEY LIMITED

TRUSTEES

C E Sommer
T J Nagle
L E Moore
Rev Father R Barralet

AUDITORS

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

BANKERS

National Westminster Bank
77 High Street
Godalming
Surrey
GU7 1AR

Registered Company Number:
Registered Charity Number:

2534865
1000190

TRUSTEES' REPORT

The Trustees, who are also the directors of the company for the purposes of company law, present their annual report and financial statements for the year ended 31 August 2000.

TRUSTEES

The Trustees who have served during the year were as follows:-

C.E. Sommer
T.J. Nagle
L.E. Moore (Mrs)
Rev Father R Barralet

OBJECTS AND POLICY

The objects of the company is to provide Catholic education through operating a preparatory school. The school's policy is to attain the highest academic level whilst allowing pupils to benefit from our extra curricular programme. This aims to develop other interests and prepare pupils for the senior school of their choice.

REVIEW OF ACTIVITIES

The company operates a preparatory school which was purchased after the company's formation.

The net incoming resources attributable to general funds amounted to £93,694 (1999: £35,725), this together with net restricted outgoing resources of £3,114 (1999: Outgoing resources of £2,918) gave total net incoming resources of £90,580 (1999: £32,807). Movements in fixed assets are shown in note 1 to the financial statements.

RESERVES POLICY

In considering their reserves policy, the Governors identified the need to accumulate free reserves for the following purposes:

- to provide funds for further capital expenditure
- to accumulate additional free reserves equal to one term's expenditure which will provide funds so that they may continue the orderly development and future growth of the school.

At 31 August 2000, the School had reserves of £318,530, of which £30,859 were restricted funds. The remaining unrestricted funds are tied up in fixed assets and a further £1,318,304 had been expended on fixed assets which has been financed through loans or working capital.

The Governors have therefore identified a need for additional reserves over a 5 year period of approximately £400,000.

The reserves policy of the School will be reviewed annually by the Governors.

TRUSTEES' REPORT (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees 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 profit or loss of the company for that period. In preparing those financial statements, the trustees 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 trustees 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 and other irregularities.

AUDITORS

The auditors MacIntyre & Co have expressed their willingness to continue in office and a resolution to re-appoint them will be submitted to the Annual General Meeting.

On behalf of the Trustees



C.E. SOMMER
Trustee

21 November 2000

AUDITORS REPORT

TO THE MEMBERS OF

BARROW HILLS SCHOOL WITLEY LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention, as modified by the revaluation of the freehold land and buildings and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 2 the company's trustees, who are also the directors of Barrow Hills School Witley Limited for the purposes of the company, 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 trustees 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.

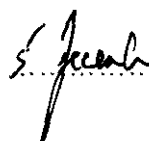
OPINION

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 August 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28 Ely Place
London
EC1N 6RL



MacINTYRE & CO
Chartered Accountants
Registered Auditors

 2000

BALANCE SHEET

AS AT 31 AUGUST 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
TANGIBLE FIXED ASSETS	1		1,631,191		1,460,740
CURRENT ASSETS					
Other debtors and prepayments		5,358		9,191	
Bank and cash		39,920		1,905	
			<hr/>	<hr/>	
			45,278	11,096	
CREDITORS - due within one year					
Fees received in advance		89,356		83,139	
Private loans	3	27,000		-	
Other creditors	2	186,783		155,296	
Hire purchase	3	4,925		1,881	
Bank loan	3	60,846		26,133	
			<hr/>	<hr/>	
			368,910	266,449	
NET CURRENT LIABILITIES					
			<hr/>	<hr/>	
			(323,632)	(255,353)	
CREDITORS - due after more than one year					
			<hr/>	<hr/>	
			1,307,559	1,205,387	
			<hr/>	<hr/>	
			(989,029)	(977,437)	
			<hr/>	<hr/>	
			£ 318,530	£ 227,950	
FUNDS					
Unrestricted	11		287,671	190,825	
Restricted	10		30,859	37,125	
			<hr/>	<hr/>	
			10	£318,530	£227,950
			<hr/>	<hr/>	

Signed on behalf of the Trustees

C E SOMMER

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) Trustees

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J NAGLE

21 November 2000

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR TO 31 AUGUST 2000

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2000 £	Total 1999 £
INCOMING RESOURCES					
Fees	12	1,050,283	-	1,050,283	844,490
Other income	13	206,511	-	206,511	159,483
Donations		3,200	-	3,200	34,605
Total Incoming Resources		1,259,994	-	1,259,994	1,038,578
RESOURCES EXPENDED					
Teaching		680,744	-	680,744	541,855
Welfare		130,874	-	130,874	98,744
Premises		159,981	1,576	161,557	185,613
Support		110,009	1,538	111,547	83,828
	4	1,081,608	3,114	1,084,722	910,040
OTHER EXPENDITURE					
Management and administration of the charity		6,250	-	6,250	5,405
Finance charges		78,442	-	78,442	90,326
Total Resources Expended		1,166,300	3,114	1,169,414	1,005,771
Net Incoming/(Outgoing) Resources		93,694	(3,114)	90,580	32,807
Transfers		3,152	(3,152)	-	-
Net movement on funds		96,846	(6,266)	90,580	32,807
Balances brought forward		190,825	37,125	227,950	195,143
Balances carried forward		£287,671	£ 30,859	£318,530	£227,950

FOR THE YEAR ENDED 31 AUGUST 2000

ACCOUNTING POLICIES:

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

a. Accounting convention:

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold land and permanent buildings.

b. Turnover:

Turnover comprises fees and other income from the school's continuing activities.

c. Fixed Assets

- Capitalisation

All items of expenditure with a value of less than £1,000 are treated as revenue expenditure.

- Depreciation:

Depreciation is provided on fixed assets to write off their cost less residual values over their estimated useful lives to the company at the following rates;

Freehold Land and Buildings	- 1% on valuation (It is assumed that 50% of the valuation relates to land)
Furniture, fittings and equipment	- 10% on cost
Motor vehicles and outdoor equipment	- 25% on net book value
Craft, Designs and Technology Centre	- 5 % on cost
Office equipment	- 10% on cost

As permitted by the transitional provisions of FRS 15 "Tangible Fixed Assets", the Governors have decided not to adopt a policy of revaluation of fixed assets. The carrying value, based on a revaluation on 31 August 1997, has been retained and will not be updated.

d. Cash Flow Statement:

The company has taken advantage of the provisions in Financial Reporting Standard No. 1 not to prepare a Cash Flow Statement.

e. Unrestricted Funds

The Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity.

f. Restricted Funds

The Restricted funds represents specific donations received in respect of the refurbishment of the Craft, Design and Technology Centre, with the corresponding costs having been capitalised within tangible fixed assets.

g. Leased Assets

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2000

1. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets were as follows:-

	Freehold Land and Permanent Buildings £	Improvements to Property £	Craft, Design & Technology Centre £	Fittings and Equipment £	Motor Vehicles £	Total £
COST OR VALUATION						
At 1 September 1999	1,400,000	-	71,738	61,538	6,167	1,539,443
Additions	-	179,317	-	-	10,500	189,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2000	1,400,000	179,317	71,738	61,538	16,667	1,729,260
DEPRECIATION						
At 1 September 1999	14,000	-	10,727	47,810	6,166	78,703
Charge for the year	7,000	-	3,587	6,154	2,625	19,366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2000	21,000	-	14,314	53,964	8,791	98,069
NET BOOK VALUE						
At 31 August 2000	£1,379,000	£179,317	£ 57,424	£ 7,574	£ 7,876	£1,631,191
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1999	£1,386,000	£ -	£ 61,011	£ 13,728	£ 1	£1,460,740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The freehold land and permanent buildings were revalued on 31 August 1997 by Knight Frank at £1,400,000. They originally cost £1,166,500. All other assets are held at cost.

Included in fittings and equipment of £13,728 (1999: £13,728) is teaching equipment acquired under hire purchase contracts with a net book value of £1 (1999: £1) and in motor vehicles are vehicles of £10,500 acquired under hire purchase contracts with a net book value of £7,875. The depreciation charge for the year in respect of assets acquired under hire purchase contracts was £2,625.

2. OTHER CREDITORS - Due within one year	2000 £	1999 £
Bank overdraft	-	22,737
Payroll taxes and social security costs	64,673	49,848
Other creditors and accruals	122,110	82,711
	<hr/>	<hr/>
	£186,783	£155,296
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NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

3. CREDITORS - Due after more than one year	2000	1999
	£	£
a) Bank Loan secured on the freehold property repayable in 2015 - Interest at 2% above Libor rate (1)	947,542	963,679
b) Unsecured bank loan repayable in 2003 (2)	90,000	-
c) Hire purchase	8,258	3,472
d) Private unsecured loans	36,000	38,300
	<hr/>	<hr/>
	1,081,800	1,005,451
Less: Due within one year		
a) Bank loan (1)	30,846	26,133
b) Bank loan (2)	30,000	-
c) Hire purchase	4,925	1,881
d) Private loans	27,000	-
	<hr/>	<hr/>
	(92,771)	(28,014)
	<hr/>	<hr/>
	£ 989,029	£ 977,437
	<hr/>	<hr/>

In respect of the bank loan above £835,386(1999: £851,523) is repayable after more than 5 years.

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total
	£	£	£	£
Direct charitable expenditure:				
Teaching	574,507	106,237		680,744
Welfare	18,588	112,286		130,874
Premises	15,608	135,362	10,587	161,557
Support costs	33,989	68,779	8,779	111,547
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	642,692	422,664	19,366	1,084,722
Other expenditure:				
Management and administration of the charity	-	6,250	-	6,250
Finance costs	-	78,442	-	78,442
	<hr/>	<hr/>	<hr/>	<hr/>
	£642,692	£507,356	£ 19,366	£1,169,414
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Included in Resources expended:				
		2000		1999
		£		£
Auditors remuneration - Audit		5,875		5,405
- Other		2,938		-
Amortisation of freehold property		7,000		7,000
Operating leases		11,530		11,592
		<hr/>		<hr/>

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

5. EMPLOYEES

The average weekly number of employees during the year was made up as follows:

	2000 No.	1999 No.
Teaching	23	19
Other		
(of which 12 (1999: 16) are part time)	9	9
	—	—
	32	28
	—	—
Employee Costs	2000 £	1999 £
Wages and salaries	569,271	466,102
Social security costs	41,088	34,460
Pension contributions	32,336	24,924
	—	—
	£642,692	£525,486
	—	—

No Trustees received any remuneration or reimbursed expenses during the year. The School has taken out governors' liability insurance, however as the cost of the policy is subsumed within the overall policy, no disclosure of the cost is possible.

The number of employees whose emoluments exceeded £40,000 were:	2000 No	1999 No
£40,000 - £50,000	1	-
	—	—

6. TAXATION

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

7. PENSION SCHEME

Certain of the company's employees participate in the Teachers' Superannuation Scheme, which is an unfunded, defined benefits group scheme administered by the Teachers' Pension Agency in accordance with Teachers' Superannuation (Consolidation) Regulations 1998 (as amended).

An actuarial valuation of the scheme is carried out every five years by the Government Actuary's department and the company's contribution has been 7.2% since 1 April 1989 and was increased to 7.4% from 1 April 2000.

Contributions are charged in the accounts as incurred and there were no outstanding or proposed contributions as at the balance sheet date. Pension costs charged in the year were £32,336 (1999: £24,924).

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

8. CAPITAL COMMITMENTS

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

	2000 £	1999 £
Contracted for	£ 9,659	£ 9,500

9. OPERATING LEASES

The school's annual commitments in respect of operating lease rentals are:

	2000	Other 1999
In respect of leases expiring:		
Under one year	£ 768	£ 4,742
Between one and two years	£ 3,517	£ 6,590
Between two and five years	£ 16,514	£ -
Over 5 years	£ 400	£ 440

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	1,605,975	25,216	1,631,191
Current Assets	38,141	7,137	45,278
Creditors due within one year	(367,416)	(1,494)	(368,910)
Creditors due after one year	(989,029)	-	(989,029)
Net Assets	£ 287,671	£ 30,859	£ 318,530

11. UNRESTRICTED FUNDS

	Revaluation Reserve £	General Fund £	Total £
Balance brought forward at 1 September 1999	231,164	(40,339)	190,825
Net (outgoing)/incoming resources	(1,168)	94,862	93,694
Transfers	-	3,152	3,152
Balance carried forward at 31 August 2000	£229,996	£ 57,675	£287,671

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

12. FEES	2000 £	1999 £
Fees receivable consist of:		
Gross fees	1,149,399	931,196
Less: Allowances	(99,116)	(86,706)
	<hr/>	<hr/>
	£1,050,283	£844,490
	<hr/>	<hr/>
13. OTHER INCOME	2000 £	1999 £
Extras and disbursements	60,781	49,729
Meals	109,500	89,710
Lettings and summer extras	1,005	753
Entrance fees	5,200	2,950
Fundraising - Barrow Hill Society	9,071	12,367
Administration charges	2,850	1,850
Miscellaneous	3,142	2,124
Sale of fixed assets	14,962	-
	<hr/>	<hr/>
	£206,511	£159,483
	<hr/>	<hr/>