

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2004
FOR
TUDOR HALL SCHOOL LIMITED
(a company limited by guarantee)**

Charity No. 1042783

Company No. 2995266



TUDOR HALL SCHOOL LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS for the year ended 31 August 2004

	Page
Company Information	1
Report of the Directors	2 & 3
Report of the Independent Auditors	4
Statement of Financial Activities	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	9 - 15
Income and Expenditure Account	Annexe A

TUDOR HALL SCHOOL LIMITED

COMPANY INFORMATION **for the year ended 31 August 2004**

DIRECTORS: Mr I R MacNicol
Mrs K J Boulton
Miss S T Carrdus
Rev. D J Duncanson
Miss H Holden-Brown
Mrs S North
Mrs B Polk
Mr B Ruck-Keene
Mrs S Russell-Cobb
Lady J M Wellesley
Mr P C R Whittle
Mr M C Fetherston-Dilke
Mr C P Dodson

SECRETARY: Miss H L Jackson

REGISTERED OFFICE: 7 West Bar
Banbury
Oxfordshire
OX16 9SD

REGISTERED NUMBER: 2995266

CHARITY NUMBER: 1042783

AUDITORS: Burgis & Bullock
Chartered Accountants
Registered Auditors
7 West Bar
Banbury
Oxfordshire
OX16 9SD

BANKERS: The Royal Bank of Scotland plc
1 Fleet Street
London
EC4Y 1BD

SOLICITORS: Hewitsons
7 Spencer Parade
Northampton
NN1 5AB

TUDOR HALL SCHOOL LIMITED

REPORT OF THE DIRECTORS for the year ended 31 August 2004

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 August 2004. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee. It is governed by a Memorandum & Articles of Association.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements. The school pupil numbers are at an historical high and the girls have achieved good academic success.

Bursaries and grants are awarded to girls depending on their academic and financial needs.

FIXED ASSETS

The directors are of the opinion that the market value of the company's properties is substantially in excess of the book amount but, in the absence of a recent valuation, the amount of the excess is not quantified.

FUTURE DEVELOPMENTS

Projects currently in the planning process include: a new dining room and kitchen, staff accommodation for a boarding house, and the refurbishment of the Main House, to include a new library.

DIRECTORS

The directors during the year under review were:

Mr I R MacNicol
Mrs K J Boulton
Miss S T Carrdus
Rev. D J Duncanson
Miss H Holden-Brown
Mrs S North
Mrs B Polk
Mr B Rucke-Keene
Mrs S Russell-Cobb
Lady J M Wellesley
Mr P C R Whittle
Mr M C Fetherston-Dilke
Mr C P Dodson

In accordance with the Articles of Association, Mrs S North and Mrs S Russell-Cobb will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

RESERVES

The school is operated in surplus and has been improving the school facilities from surplus whilst building a reserve fund. Other than monies that are being accumulated with regard to projects and bursaries it is the School's policy to maintain at least one term's level of fee income as a reserve.

TUDOR HALL SCHOOL LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 August 2004**

OBJECTS AND ORGANISATION

The objects of the School are set out in the Memorandum, as the provision of a broad education that is continually improved and updated, to provide facilities to enable pupils to develop their potential in every dimension.

The Directors determine the general policy of the School. The day to day management of the School is delegated to the Headmistress and Bursar.

RISK MANAGEMENT

The Board continues to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor the effectiveness of review systems, which allow these risks to be mitigated to an acceptable level.

INVESTMENT POWERS, POLICY AND PERFORMANCE

The Boards' investment powers are governed by the Memorandum and Articles, which give the Directors full and unrestricted powers of investment. The Boards' policy is to invest reserves of at least £1m, with a view to long term capital growth rather than maximising income. Capital values have been disappointingly low but the Board remain confident about the long term future.

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 surplus or deficit 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 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 have overall responsibility for ensuring that the company has appropriate systems of controls, financial or otherwise.

The directors are responsible for keeping 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

A resolution proposing that Burgis & Bullock be re-appointed as auditors of the company will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr P C R Whittle – DIRECTOR

12 November 2004

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF TUDOR HALL SCHOOL LIMITED

We have audited the financial statements of Tudor Hall School Limited for the year ended 31 August 2004 which comprise such as the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Trustees Responsibilities the trustees (who are the directors of Tudor Hall School Limited for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 with the company is not disclosed.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 charity's affairs as at 31 August 2004 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.


Burgis & Bullock
Chartered Accountants
Registered Auditors

7 West Bar
Banbury
Oxfordshire OX16 9SD

12 November 2004

TUDOR HALL SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2004
(including summary income & expenditure account)

	Notes	Unrestricted Funds £	Total 2003 £
Incoming Resources			
Activities in furtherance of the charity's objects:			
Fees	2	4,223,607	3,881,098
Other operating income	3	38,877	(14,831)
Activities for generating funds:			
Investment income	5	56,561	80,471
Total incoming resources		4,319,045	3,946,738
Charitable expenditure:			
Costs of activities in furtherance of the charity's objects:			
Direct school costs	6	3,007,919	2,771,596
Support costs	6	786,415	723,084
Management and administration	6	32,677	24,495
Total resources expended		3,827,011	3,519,175
Net incoming resources		492,034	427,563
Net gains on investment assets	7	85,705	39,427
Net movement in funds:		577,739	466,990
Fund balances brought forward at 1 September 2003	17	7,340,188	6,873,198
Fund balances carried forward at 31 August 2004	21	7,917,927	7,340,188

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

TUDOR HALL SCHOOL LIMITED

BALANCE SHEET

31 August 2004

	Notes	2004	2003
FIXED ASSETS			
Tangible assets	10	5,894,235	5,636,036
Investments	11	1,175,971	1,090,266
		<u>7,070,206</u>	<u>6,726,302</u>
CURRENT ASSETS			
Stocks	12	11,068	22,802
Debtors	13	146,515	126,844
Cash at bank and in hand		1,148,311	1,346,575
		<u>1,305,894</u>	<u>1,496,221</u>
CREDITORS			
Amounts falling due within one year	14	396,771	791,923
NET CURRENT ASSETS		<u>909,123</u>	<u>704,298</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,979,329	7,430,600
CREDITORS			
Amounts falling due after more than one year	15	(61,402)	(90,412)
		<u>7,917,927</u>	<u>7,340,188</u>
FUNDS			
Unrestricted funds	17	7,917,927	7,340,188
TOTAL FUNDS	21	<u>7,917,927</u>	<u>7,340,188</u>

ON BEHALF OF THE BOARD:

The financial statements on pages 5 to 15 were approved by the trustees on 12 November 2004 and signed on their behalf by:



Mr P C R Whittle – DIRECTOR

12.11.2004

The notes form part of these financial statements

TUDOR HALL SCHOOL LIMITED

CASH FLOW STATEMENT for the year ended 31 August 2004

	Notes	2004	2003
Net cash inflow from operating activities	1	227,416	948,453
Returns on investments and servicing of finance	2	56,561	80,471
Capital expenditure and financial investment	2	(499,484)	(1,196,444)
(Decrease) in cash in the period		<u>(215,507)</u>	<u>(167,520)</u>
Reconciliation of net cash flow to movement in net funds	3		
(Decrease) in cash in the period		(215,507)	(167,520)
Change in net funds resulting from cash flows		<u>(215,507)</u>	<u>(167,520)</u>
Movement in net funds in the period		<u>(215,507)</u>	<u>(167,520)</u>
Net funds at 1 September 2003		1,318,196	1,485,716
Net funds at 31 August 2004		<u>1,102,689</u>	<u>1,318,196</u>

The notes form part of these financial statements

TUDOR HALL SCHOOL LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2004

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004	2003
	£	£
Operating profit	435,473	347,092
Depreciation charges	241,285	191,681
Decrease in stocks	11,734	5,302
(Increase) in debtors	(19,671)	(6,473)
(Decrease)/Increase in creditors	(441,405)	410,851
Net cash inflow from operating activities	<u>227,416</u>	<u>948,453</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2004	2003
	£	£
Returns on investments and servicing of finance		
Interest received	56,561	65,328
Dividends received	-	15,143
Net cash inflow for returns on investments and servicing of finance	<u>56,561</u>	<u>80,471</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(499,484)	(1,032,157)
Purchase of fixed asset investments	-	(164,287)
Net cash outflow for capital expenditure and financial investment	<u>(499,484)</u>	<u>(1,196,444)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/03	Cash flow	At 31/8/04
	£	£	£
Net cash:			
Cash at bank and in hand	1,318,196	(215,507)	1,102,689
	<u>1,318,196</u>	<u>(215,507)</u>	<u>1,102,689</u>

The notes form part of these financial statements

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards. The charity has availed itself of Paragraphs 3(3) of Schedule 4 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Funds accounting

General funds are unrestricted funds, which are available for use at the discretion of the directors in furtherance of the general objectives of the charity, and which have not been designated for other purposes. Turnover represents the amount derived from fees receivable and charges for services, in the period in which the service is provided. Fees receivable are stated after deducting allowances and scholarships granted by the school. All expenditure is accounted for on an accrual basis, and has been classified under headings that aggregate all costs to that category.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks

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

Hire purchase and leasing commitments

Rentals charged to operating leases are charged to income as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Investments

Investments are included at market value at the Balance Sheet date. Both realised and unrealised gains and losses are shown in the Statement of Financial Activities.

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

2 INCOMING RESOURCES

The school's fee income comprised:	2004	2003
	£	£
Gross fees	4,386,594	3,994,920
Less: Total bursaries, grants and allowances	(162,987)	(113,822)
	<u>4,223,607</u>	<u>3,881,098</u>

3 OTHER OPERATING INCOME

	2004	2003
	£	£
Disbursements and extras	14,329	(18,197)
Registration fees	3,774	3,325
Rent received	20,774	41
	<u>38,877</u>	<u>(14,831)</u>

4 STAFF COSTS

	2004	2003
	£	£
Wages and salaries	2,179,909	2,091,961
Social security costs	156,365	136,346
Other pension costs	208,789	159,805
	<u>2,545,063</u>	<u>2,388,112</u>

The average monthly number of employees during the year was as follows:

	2004	2003
	Number	Number
Teachers	67	66
Other staff	60	57
	<u>127</u>	<u>123</u>

The number of staff whose salary falls into the following bands is:

	2004	2003
	Number	Number
£50,001 - £60,000	-	-
£60,001 - £70,000	1	1

The employee earning more than £50,000 participated in the pension scheme.

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

5	INVESTMENT INCOME	2004	2003
		£	£
	Interest receivable	56,561	65,328
	Dividends receivable from investments and unit trusts	-	15,143
		<u>56,561</u>	<u>80,471</u>

6 OPERATING PROFIT

The operating profit is stated after charging:	2004	2003
	£	£
Other operating leases	20,424	16,857
Depreciation and fixed asset disposals – owned assets	241,285	191,681
Auditors' remuneration	4,100	4,000
Auditor's remuneration for non audit work	13,025	13,125
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

Expenditure – Analysis of total Resources Expended	2004	2003
	£	£
Charitable Activities		
Staff costs	2,545,063	2,388,112
Depreciation and fixed asset disposals	241,285	191,681
Food	221,571	191,803
Premises and support costs	786,415	723,084
Management and administration	32,677	24,495
	<u>3,827,011</u>	<u>3,519,175</u>

7	UNREALISED GAIN ON INVESTMENTS	2004	2003
		£	£
	Unrealised gain	85,705	39,427
		<u> </u>	<u> </u>

8 TAXATION

The Directors believe that no liability for corporation tax arises on the results for the year due to the company's charitable status.

9 PENSION COSTS

The charity operates a contributory pension scheme. It is a defined scheme and contributions are charged to the statement of financial activities as they accrue. The charge for the year was £208,789, (2003 £159,805).

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

10 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST:					
At 1 September 2003	6,469,006	208,358	29,757	240,252	6,947,373
Additions	435,853	-	-	63,631	499,484
Disposals	(49,516)	-	-	-	(49,516)
At 31 August 2004	6,855,343	208,358	29,757	303,883	7,397,341
DEPRECIATION:					
At 1 September 2003	935,640	155,596	29,757	190,344	1,311,337
Charge for year	147,576	13,191	-	42,988	203,755
Disposals	(11,986)	-	-	-	(11,986)
At 31 August 2004	1,071,230	168,787	29,757	233,332	1,503,106
NET BOOK VALUE:					
At 31 August 2004	5,784,113	39,571	-	70,551	5,894,235
At 31 August 2003	5,533,366	52,762	-	49,908	5,636,036

Included in land and buildings is freehold land at £2,000 (2003 £2,000) which is not depreciated.

11 FIXED ASSET INVESTMENTS

	Listed Investments 2004 £	Listed Investments 2003 £
Market value at 1 September 2003	1,090,266	886,552
Additions	-	164,287
Net Investment gains	85,705	39,427
Market Value at 31 August 2004	1,175,971	1,090,266
Historical cost at 31 August 2004	1,259,620	1,211,261
	2004	2003
UK Listed Investments are represented : Investment Trusts and Unit Trusts	1,175,971	1,090,266
	1,175,971	1,090,266

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2004

11 FIXED ASSET INVESTMENTS continued...

Analysis of investments, representing more than 5% of total investments for 2004.

	Market Value	Historical Cost
	£	£
Barings FD - Income Plus	83,003	89,772
Barings FD – UK Growth	63,139	85,562
Charishare Account	117,987	130,914
Schroders - Equity Account	181,177	222,941
Schroders – Fixed Account	96,974	96,710
Charities Aid – Bond Income	87,923	94,169
Charities Aid – UK Equity Growth	73,043	88,192

12 STOCKS

	2004	2002
	£	£
Stocks	11,068	22,802

13 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade Debtors	29,549	58,459
Prepayments	116,966	68,385
	<u>146,515</u>	<u>126,844</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank overdraft	45,622	28,379
Trade creditors	164,917	427,283
Social security and other taxes	54,994	53,018
Income received in advance	74,194	255,564
Accruals and deferred income	52,044	22,679
Bursary fund	5,000	5,000
	<u>396,771</u>	<u>791,923</u>

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

15	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2004	2003
		£	£
	Confirmation fees	32,100	32,000
	Bursary fund	29,302	58,412
		<u>61,402</u>	<u>90,412</u>

16 OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Operating leases	
	2004	2003
	£	£
Expiring:		
Between two and five years	24,889	16,857
	<u>24,889</u>	<u>16,857</u>

17 RESERVES

	Income and Expenditure Account	
	£	
At 1 September 2003	7,340,188	
Retained surplus for the year	577,739	
At 31 August 2004	<u>7,917,927</u>	

18 CAPITAL COMMITMENTS

	2004	2003
	£	£
Not provided for in the financial statements	2,100,000	248,000
	<u>2,100,000</u>	<u>248,000</u>

19 TRANSACTIONS WITH DIRECTORS

The directors neither received or waived any emoluments for this and last year. Directors received £1,299 (2003 £2,400) for travel expenses. Directors' indemnity insurance of £2,730 was paid in the year (2003 £1,280).

20 RELATED PARTY DISCLOSURES

The school received £4,248 (2003 £3,915) from the Friends of Tudor Hall Trust as scholarships fees for pupils. The Friends of Tudor Hall Trust owed the school £2,233 (2003 £3,174) at the year end.

21 RECONCILIATION OF MOVEMENTS IN RESERVES

	2004	2003
	£	£
Surplus for the financial year	577,739	466,990
	<u>577,739</u>	<u>466,990</u>
Net addition to reserves	577,739	466,990
Opening reserves	7,340,188	6,873,198
Closing reserves	<u>7,917,927</u>	<u>7,340,188</u>

TUDOR HALL SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

22 CONTROLLING INTEREST

The trustees have the controlling interest in the company.

23 UNRESTRICTED FUNDS

All the funds of the company are unrestricted.

The company is limited by guarantee and does not have any issued share capital. Every member of the school undertakes to contribute such amount as may be required (not exceeding £10) to the school's assets if it should be wound up, while he or she is a governor.

24 STATEMENT OF FUNDS

	At 1.9.03 £	Income £	Expenditure £	Investments gross £	At 31.8.04 £
General Reserve	7,340,188	4,319,045	3,827,011	85,705	7,917,927

The general reserve represents the free funds which are not designated for particular purposes.