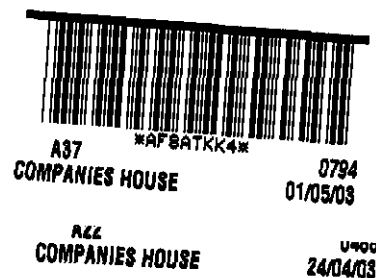


The Abbey School Tewkesbury
Report of the Directors
And
Financial Statements
For The Year Ended 31st August 2002

Registered Company Number: 03341934

Registered Charity Number: 1079646



Poyser Youd
Chartered Accountants

The Abbey School Tewkesbury

Director's Report

The Directors have pleasure in presenting their report for the year ended 31 August 2002. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", issued in October 2000. The accounts also comply with current statutory requirements and the charity's governing document.

STATUS AND OBJECTIVES

The Abbey School was founded in 1973 as the choir school for Tewkesbury Abbey. The School was incorporated as a company limited by guarantee not having a share capital on 27 March 1985 with the registration number 3341934. It is also a registered charity under the Charities Act 1993 with the charity number 1079646. The governing document of the Charitable Company is its Memorandum and Articles of Association which states its primary object as being to advance the education of the public and to establish, carry on and endow any school or schools and in particular, The Abbey School, Tewkesbury.

The School is a co-educational preparatory school for children between the ages of 4 and 13. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose. The School has a close relationship with the Abbey and its foundation revived the Benedictine tradition, begun in the 11th century, of regular weekday choral worship in Tewkesbury Abbey. Their training in the great cathedral tradition of choral music serves to bring musical, spiritual and intellectual enrichment to the choristers. All pupils benefit from their daily worship in the Abbey.

DIRECTORS, GOVERNORS AND TRUSTEES

The Directors of the Company for the purposes of company law are the Governors of the School and also Trustees of the Charity. At 31 August 2002 they were

K J Bain Esq (Chairman)
M R Amherst Lock Esq
Doctor A N Crowther
J Leigh Esq
Doctor R C Massey
N J Rampley Esq
F R S Rundall Esq
Mrs F C Yorke

The following Directors, who were in post at 1 September 2001, resigned during the course of the year:

J H Milton Esq (resigned 31 December 2001)
Doctor R E Colville (resigned 20 June 2002)
Rev'd Canon M E Tavinor (resigned 31st May 2002)

The following Directors have been appointed since 31st August 2002:

G R P Jones Esq (appointed headmaster with effect from 1st September 2002)
Mrs Patricia Manners (appointed 11 March 2003)
R Trafford Esq (appointed 11 March 2003)
P Vaughan Esq (appointed 11 March 2003)

SECRETARY

N B Horner Esq

REGISTERED OFFICE

The Abbey School
Church Street
Tewkesbury
Glos GL20 5PD

BANKERS

Lloyds TSB
130 High Street
Cheltenham
Glos GL50 1EW

SOLICITORS

Whatley Weston & Fox
15 & 16 The Tything
Worcester WR1 1HD

AUDITORS

Poyser Youd
Bank Chambers
3 Bridge Street
Pershore
Worcs WR10 1AJ

ORGANISATION

The School is governed by a Governing Body whose members are also Directors of the company and charity trustees. New governors are elected by existing members of the Governing Body. The Governing Body is responsible for formulating the strategy and policies for the School and normally meets three times a year.

GENERAL

Academically the School has had a successful year, with all pupils passing Common Entrance to the schools of their first choice. Results in English and mathematics were particularly good and three Music Scholarships and one all rounder Scholarship were won.

The science laboratory was completely refurbished, creating a new area for practical work and making more efficient use of the remaining space.

The School hosted the annual Western Division Choir Schools Association football and netball tournament, which was followed by Evensong in the Abbey, sung by all the choirs involved.

The choir had a very successful year, which included an outstanding tour to America at Easter, the release of two new CD's and the recording of a third, a BBC Radio 3 Choral Evensong broadcast and joint concert with Worcester Cathedral Choir to mark the 900th anniversary of Tewkesbury Abbey.

A varied programme of weekend activities took place in the summer term. The two senior forms travelled to Normandy and visited the Bayeux Tapestry, the D-Day landing beaches and some of the First World War graveyards.

FINANCE

There was a deficit on net movement in unrestricted funds of £22,962 (2001: surplus of £22,184). Net assets at 31 August 2002 amounted to £165,735 (2001: £188,697). The Income and Expenditure Forecast for the year to 31 August 2003, after charging all recurring and non-recurring costs, anticipates that the account will be in balance.

RESERVES POLICY

The School's unrestricted funds stood at £165,735 at the year end, wholly deployed as part of the financing of school premises and equipment. Free reserves, defined by the Charity Commission as being unrestricted funds less those funds represented by fixed assets, amounted to a deficit of £26587. In the absence of free reserves, the need for day-to-day working capital is met by careful management of short-term liquid resources.

The Directors consider that free reserves of £85,000, or two months expenditure, would be desirable and practicable in order fully to cover the risks and uncertainties of operating an independent educational

establishment. The policy is therefore to endeavour to build up reserves out of annual operating surpluses until that level is reached, subject to prior demands of further capital expenditure to equip the School with the facilities needed to maintain and enhance the standard of educational services currently provided.

GRANT-MAKING POLICY

The value of scholarships and bursaries made in the year to the School's pupils from unrestricted funds amounted to £44,738. The Governors' policy is to make these awards on the basis of merit and need to enable boys to become choristers and to assist parents with the payment of their fees at the Abbey School.

RISK MANAGEMENT

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Headmaster and his team of senior staff. The Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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 School 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.

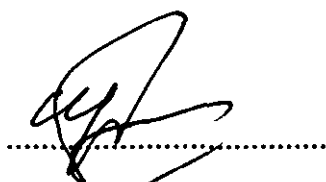
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the

assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY EXEMPTIONS

The Financial Report for the year has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small Companies.

Approved by the Board on 11th March 2003 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'K.J. Bain', is written over a horizontal dotted line.

K.J. Bain
Chairman

Auditors' Report

Auditors' report to the governing body of The Abbey School Tewkesbury

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of governors and auditors

As described on page 2, the company's governors 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.

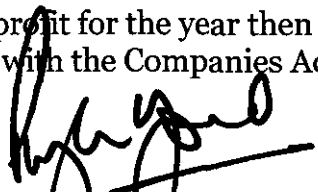
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 31st august 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pershore

22 March 2003



Poyser Youn
Registered Auditors
Chartered Accountants

The Abbey School Tewkesbury

Balance Sheet

As at 31st August 2002

	Note	£	2002 £	£	2001 £
Fixed Assets					
Tangible assets	4		192,322		195,491
Current Assets					
Stocks			2,600		2,500
Debtors			3,240		2,626
Cash at bank and in hand			<u>137</u>		<u>81,836</u>
			5,977		86,962
Creditors: amounts falling due					
Within one year	5		<u>(32,564)</u>		<u>(93,756)</u>
Net current liabilities			<u>(26,587)</u>		<u>(6,794)</u>
Total net assets			<u>165,735</u>		<u>188,697</u>
 Unrestricted funds			 <u>165,735</u>		 <u>188,697</u>

Approved by the Governing Body on 11 March 2003
And signed on its behalf by:



K J Bain Esq
Governor

The Abbey School Tewkesbury

31st August 2002

Statement of Financial Activities

	Unrestricted funds	
	2002	2001
	£	£
Incoming resources		
Tuition	483,057	495,943
Boarding	26,277	20,314
Music and other activities etc	19,413	20,904
Fundraising income	3,102	16,332
Donations and grants	-	-
Bank deposit income	1,151	1,704
Net rental income	-	-
	<u>533,000</u>	<u>555,197</u>
Deduct:		
Scholarships & bursaries awarded	<u>44,738</u>	<u>38,665</u>
	488,262	516,532
Resources expended		
Salaries and wages	376,053	329,515
Pension scheme contributions	26,059	20,905
Books and teaching materials	4,685	21,883
Household provisions	19,202	23,879
Motor and travelling expenses	2,012	1,221
Telephone charges	2,293	2,774
Printing, postage and stationery	2,736	1,583
Advertising	3,790	4,539
Subscriptions and donations	2,272	1,562
Equipment hire	1,337	399
General expenses	1,203	4,270
Heating and lighting	9,260	8,316
Repairs and renewals	28,900	30,432
Insurance charges	6,553	7,203
Rents, rates and water	13,745	18,646
Bank charges	1,110	11,112
Bank interest	3	29
School inspection costs	-	7,374
Legal and professional fees	811	750
Auditors' remuneration	3,600	3,966
Provision for doubtful debts	2,431	-
Depreciation	<u>3,169</u>	<u>3,990</u>
	<u>511,224</u>	<u>494,348</u>
Net incoming resources	(22,962)	22,184
Balance brought forward at 1 st September 2001	<u>188,697</u>	<u>166,513</u>
Balance carried forward at 31 st August 2002	<u>165,735</u>	<u>188,697</u>

The Abbey School Tewkesbury
Notes to the accounts
For the year ended 31st August 2002

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial standard number 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover. Turnover represents the amount derived from the provision of services falling within the company's activities after deduction of any trade discounts. The company is not registered for value added tax.

Depreciation. Depreciation of fixed assets is calculated to write off the cost of valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25%
Fixtures and fittings	20%

Under the provisions of the Financial Reporting Standard for Smaller Entities, no provision for depreciation has been taken in these accounts in respect of the freehold property at 23 Church Street, Tewkesbury or for the school hall and grounds for which a 99 years lease is held. Nor has any value been attributed in these accounts to the short lease on the properties at 19, 21 and 22 Church Street, Tewkesbury.

2. Transactions With Directors and Related Parties

The salary relating to the Headmaster of the school, who is a member of the Governing Body, is included in salaries and wages as shown in the Statement of Financial Activities. Otherwise no remuneration was paid to the Directors or persons related to them. Expenses totalling £336 were paid in respect of travel expenses to 3 directors.

The Charity has taken out cover for Directors and Officers Liability as part of Public Liability Insurance for the School.

The Abbey School Tewkesbury
Notes to the accounts
For the year ended 31st August 2002

3. Taxation

The Company, as a Registered Charity, is not subject to United Kingdom corporation tax.

4. Tangible fixed assets

Cost	Motor Vehicles £	Fixtures & fittings £	Land & buildings £	Total £
1 st September 2001	2,100	19,200	180,000	201,300
31 st August 2002	2,100	19,200	180,000	201,300

Depreciation

1 st September 2001	689	5,120		5,809
Charge for year	353	<u>2,816</u>		<u>3,169</u>
31 st August 2002	1,042	7,936		8,978

Net Book Amount

31 st August 2002	<u>1,058</u>	<u>11,264</u>	<u>180,000</u>	<u>192,322</u>
1 st September 2001	<u>1,411</u>	<u>14,080</u>	<u>180,000</u>	<u>195,491</u>

5. Creditors

Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	32,564	86,845
Other taxation and social security	<u> </u>	<u>6,911</u>
	<u>32,564</u>	<u>93,756</u>