

**OLD BUCKENHAM HALL
(BRETtenham) EDUCATIONAL TRUST
LIMITED
(A Charitable Company
limited by guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 2001



OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2001

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OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
PROFESSIONAL ADVISORS

Solicitors:

Ashton Graham
81 Guildhall Street
Bury St Edmunds
Suffolk
IP33 1PZ

Bankers:

Barclays Bank Plc
PO Box 53
52 Abbeygate Street
Bury St Edmunds
Suffolk
IP33 1LF

Auditors:

Larking Gowen
King Street House
15 Upper King Street
Norwich
Norfolk
NR3 1RB

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-third annual general meeting of the members of Old Buckenham Hall (Brettenham) Educational Trust Limited will be held at Brettenham Park on 23 November 2001 at 5 pm for the following purposes:-

Resolution

To approve the minutes of the general meeting held on 10 November 2000.

To receive and adopt the financial statements for the year ended 31 August 2001, together with the reports of the council of management and auditors thereon.

To re-elect Mrs. A M Edwards and Mr. D Sewell who retire by rotation, as members of the council of management.

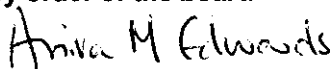
To re-elect Mr. S Buckmaster, Mr. J J S Gorman (appointed 12 September 2001) and Mr. D Hughes (appointed 12 September 2001), who are required to retire at the first annual general meeting following their election, as members of the council of management.

To re-appoint Larking Gowen as auditors to the company for the ensuing year.

To authorise the council to fix the remuneration of the auditors.

To transact any other ordinary business of the company.

By order of the board



Mrs. A M Edwards
Secretary

23rd November 2001

A member entitled to attend and vote may appoint a proxy, who need not be a member, to attend and vote on his behalf.

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

The council presents its annual report and audited financial statements for the year ended 31 August 2001.

Statement of members' responsibilities

Company law requires the members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the members 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 Trust will continue to operate.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Trust operates a Preparatory and Pre-Preparatory boarding and day school for both boys and girls.

Review of the year

The Trust's financial results are shown in the statement of financial activities on page 6.

Pupil numbers have continued to increase and the introduction of girls into the school has proved a great success.

All Common Entrance candidates were successful in passing into their first choice of Senior School and one third of leaving pupils won an award or scholarship.

Expenditure of £508,627, which has been incurred to provide dormitories and additional classrooms, has been capitalised as freehold property.

The Trust's memorandum of association does not permit the payment of a dividend.

Reserves policy

The council has a long-standing policy to use any revenue surpluses to improve the facilities and the overall educational service provided. Significant sums have been spent on the property to provide enhanced specialist teaching classrooms, art, IT, sporting and dormitory facilities.

In the opinion of the council, the reserves are sufficient to meet the Trust's obligations.

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Members of council

Members of the council who served during the year were:

Mark Nicholls (Chairman)
Mrs Anita Margaret Edwards (Deputy Chairman)
Mrs Sue Blagden
Simon Buckmaster (appointed 10 November 2000)
Richard Dyson
Mrs Margaret A. Edwards
Mrs J. R. Khayat
Robert Perowne (retired as chairman 15 June 2001)
David J.E. Sewell
Richard J. Thomas (died 7 May 2001)
Dr Ralph Townsend

All the members of the council are also members of the Trust and are liable to contribute a sum not exceeding £1 each if required, in the event of the Trust being wound up.

Address

Old Buckenham Hall School
Brettenham Park
Ipswich
Suffolk
IP7 7PH

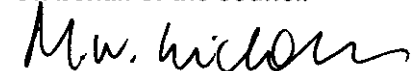
Status

The Trust is incorporated as a company, is limited by guarantee and does not have a share capital. It is registered with the Charity Commissioners as a Charitable Institution. The liability of each member is limited to £1.

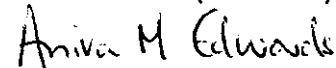
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs Larking Gowen as auditors to the Trust will be put to the annual general meeting.

On behalf of the council



Mr. M Nicholls (Chairman)



Mrs. A M Edwards (Secretary)

23rd November 2001



CHARTERED
ACCOUNTANTS

Auditors' report to the members of Old Buckenham Hall (Brettenham) Educational Trust Limited

We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of members and auditors

As described on page 3 the council members, who also act as trustees for the charitable activities of Old Buckenham Hall (Brettenham) Educational Trust Limited, 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.

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 Council of Management 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 is not disclosed.

We read the Report of the Council of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 2001 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....
Larking Gowen
Registered Auditors
Norwich

23rd November 2001

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2001

		Unrestricted funds	
		2001	2000
	Notes	£	£
Incoming resources			
Fees receivable	1d.	1,480,694	1,348,456
Sundry fees		4,525	2,140
Gifts & donations		3,441	2,803
Other operating income		18,374	24,103
Dividends and interest received		20,839	10,554
Total incoming resources		1,527,873	1,388,056
Resources expended			
Direct charitable expenditure:			
School and household expenses		1,176,567	1,048,503
Depreciation and other amounts written off tangible fixed assets	1c.	54,109	34,876
Management and administration:			
Administrative and general expenses		301,150	338,839
Interest payable and similar charges	4.	14,954	12,004
Total resources expended		1,546,780	1,434,222
Net outgoing resources		(18,907)	(46,166)
Realised losses on investment assets		(402)	-
Unrealised (losses)/gains on investment assets		(3,933)	1,055
Net movement in funds	2.	(23,242)	(45,111)
Fund balances brought forward at 1 September 2000		1,287,405	1,332,516
Fund balances carried forward at 31 August 2001		1,264,163	1,287,405

The statement of financial activities is equivalent to an income and expenditure account as permitted by Companies Act 1985.

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED
BALANCE SHEET
AS AT 31st AUGUST 2001

	Notes	£	2001 £	£	2000 £	£
Fixed assets						
Tangible assets	5.	2,076,775		1,530,953		
Investments	6.	34,834		39,635		
			2,111,609		1,570,588	
Current assets						
Stocks	7.	7,080		6,878		
Debtors	8.	30,699		40,298		
Cash at bank and in hand		232,767		294,533		
			270,546		341,709	
Creditors: amounts falling due within one year	9a.	719,691		484,601		
Net current liabilities			(449,145)		(142,892)	
Total assets less current liabilities			1,662,464		1,427,696	
Creditors: amounts falling due after more than one year	9b.		398,301		140,291	
Net assets			1,264,163		1,287,405	
Capital and reserves						
General reserves	11a.		916,961		944,202	
Designated reserves	11b.		347,202		343,203	
			1,264,163		1,287,405	

The financial statements have been prepared in accordance with the Companies Act 1985.

Mr M Nicholls *M. M. Nicholls*
Mrs A M Edwards *Anita M Edwards*
) Governors

The financial statements on pages 6 to 17 were approved by the members of the council on 23.11.01 and are signed on its behalf above.

OLD BUCKENHAM HALL (BRETTENHAM) EDUCATIONAL TRUST LIMITED
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31st AUGUST 2001

	Notes	£	2001	£	£	2000	£
Cashflow statement							
Net cash inflow/(outflow) from operating activities	12a.		30,670			(557)	
Returns on investments and servicing of finance	12c.		9,361			(2,412)	
Capital expenditure and financial investment	12d.		(465,555)			(107,547)	
Cash outflow before management of liquid resources and financing			(425,524)			(110,516)	
Increase/(decrease) in debt			280,813			(20,484)	
Decrease in cash in the year			(144,711)			(131,000)	
Reconciliation of net cash flow to movement in net debt							
Decrease in cash in the year	12b.	(144,711)			(131,000)		
Cash (outflow)/inflow from increase in debt	12b.	(280,813)			20,484		
			(425,524)			(110,516)	
Change in net debt for the year							
Net debt at 31 August 2000	12b.		81,984			192,500	
Net debt at 31 August 2001			(343,540)			81,984	

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2001

1. Accounting policies

The significant accounting policies used in the preparation of these financial statements are:

a. Basis of accounting

The company prepares its annual financial statements under the historical cost convention.

The company has adopted Statement of Recommended Practice (October 1995) "Accounting by Charities".

b. Stocks

Stock is valued at the lower of cost or market value.

c. Tangible fixed assets

Motor vehicles, machinery and computer equipment have been depreciated using a method which is calculated to write down each asset to its estimated residual value over the period of its revenue earning life.

The annual rates of depreciation used are:

Motor vehicles and machinery	25% Reducing balance
Computer equipment	25% Straight line

School buildings and facilities of a specific nature, having a shorter life than other school buildings are depreciated at the rate of 4% straight line.

General school buildings are depreciated at the rate of 2% on a straight line basis, down to their estimated residual values.

Furniture, fixtures and school equipment are treated on the renewals basis. In addition to this, from 1 September 1996, expenditure on new items costing less than £3,000 has been written off in the period of purchase, whilst expenditure on new items, other than computer equipment, costing more than £3,000 has been depreciated on a straight line basis over two to five years.

d. Fee income

This represents school board and tuition fees invoiced during the period.

e. Leasing

All leases are operating leases and the annual rentals are charged to the income and expenditure account over the lease term.

f. Unrestricted funds

All funds as detailed in note 11 are unrestricted funds which are expendable at the discretion of the members of council in furtherance of the objects of the charity.

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

1. Accounting policies (continued)

g. Fixed asset investments

Fixed asset investments are shown at market value.

h. Pension scheme

The school contributes to a multi-employer Government pension scheme for teachers. The trustees consider that the scheme is a defined benefit scheme, but are taking advantage of the exception in accordance with FRS17 paragraph 9a to make disclosures as if it were a defined contribution scheme.

The school also operates a group personal pension and a stakeholder scheme under which contributions by employees and by the school are held in funds separated from the company's finances.

2. Net movement in funds	2001	2000
	£	£
This is stated after charging:		
Depreciation of tangible owned assets	54,109	34,876
Profit on sale of fixed assets	-	(805)
Hire of plant and machinery - operating leases	3,931	3,557
Auditors' remuneration (including accountancy and taxation services)	5,346	5,111
Staff costs (See note 3)	993,707	886,854

3. Staff costs	2001	2000
Employees		
The average weekly number of employees, analysed by function, during the year was:	No.	No.
School services	55	53
Management and administration of the charity	3	3
	58	56
Costs during the year:	£	£
Wages and salaries (including staff expenses)	879,663	787,698
Social security costs	64,381	56,582
Other pension costs	49,663	42,574
	993,707	886,854

No remuneration was paid nor expenses reimbursed to trustees and no employee earned £40,000 per annum or more.

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

4. Interest payable and similar charges				2001 £	2000 £
Bank loans and overdrafts				14,954	12,004
5. Tangible fixed assets					
	Freehold property £	Motors and machinery £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1st September 2000	1,396,141	85,454	153,562	44,636	1,679,793
Additions	508,627	-	48,135	44,109	600,871
Disposals	(940)	-	-	-	(940)
At 31st August 2001	1,903,828	85,454	201,697	88,745	2,279,724
Depreciation					
At 1st September 2000	11,557	67,752	37,184	32,347	148,840
Charge for the year	17,436	4,421	16,008	16,244	54,109
At 31st August 2001	28,993	72,173	53,192	48,591	202,949
Net book value					
At 31st August 2001	1,874,835	13,281	148,505	40,154	2,076,775
At 31st August 2000	1,384,584	17,702	116,378	12,289	1,530,953

Included in freehold property, is land at cost of £162,500, and assets in the course of construction at a cost of £508,627 which are not depreciated. (2000: land and buildings £1,107,205).

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

6. Investments

	2001 Nominal Holding	2001 Cost	2001 Market Value	2000 Market Value
Anglo Overseas 10p ordinary shares	1,500	2,033	4,215	11,907
Brunner Investment 25p ordinary shares	1,400	7,347	5,614	-
Edinburgh UK Trader 10p ordinary shares	1,450	3,446	3,567	4,176
Merchants Trust 25p ordinary shares	1,750	4,338	6,825	6,843
Merrill Lynch UK Investment Trust (formerly Mercury Keystone) 50p ordinary shares	430	2,553	3,939	4,751
Perpetual Inc & Growth Investment Trust 10p ordinary shares	3,740	5,341	5,161	4,488
TR City of London 25p ordinary shares	-	-	-	7,470
Treasury 5% Stock 2004	5,500	5,492	5,513	-
		<u>30,550</u>	<u>34,834</u>	<u>39,635</u>

7. Stocks

Stocks comprise:

	2001 £	2000 £
Food and housekeeping supplies	2,107	2,345
School books and stationery	100	100
Heating oil	4,298	3,633
Goods for resale	575	800
	<u>7,080</u>	<u>6,878</u>

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

8.	Debtors	2001	2000
		£	£
	Amounts falling due within one year:		
	Fees outstanding, advances etc.	19,109	13,154
	Other debtors	2,585	-
	Prepayments and accrued income	9,005	27,144
		30,699	40,298
9.	Creditors	2001	2000
		£	£
a.	Amounts falling due within one year:		
	Bank loans and overdraft	203,841	89,242
	Loan	3,566	3,566
	Trade creditors	169,334	58,227
	Other creditors	-	21,464
	Accruals	29,246	16,211
	Deferred income and payments on account	295,335	278,054
	Taxation and social security payable	18,369	17,837
		719,691	484,601
b.	Amounts falling due after more than one year:		
	Bank loan	352,854	100,128
	Loan	16,047	19,613
	Deferred income and payments on account	29,400	20,550
		398,301	140,291

The loan is guaranteed by certain members of council. The Trust has indemnified the guarantors if the lender attempts to enforce the guarantee.

The aggregate amount of creditors for which security has been given amounted to £556,695 (2000: nil).

The bank loans are repayable by quarterly instalments totalling £30,651.75, and have interest charged on a floating rate basis at 1.75% over Bank Base Rate. The loans are secured by a legal charge over the land and property, limited to £760,000.

OLD BUCKENHAM HALL (BRETTENHAM) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

9. Creditors (continued)

	2001 £	2000 £
c. Analysis of loans		
Not wholly repayable within five years by instalments	1,783	5,349
Wholly repayable within five years	17,830	17,830
	<u>19,613</u>	<u>23,179</u>
Included in current liabilities	(3,566)	(3,566)
	<u>16,047</u>	<u>19,613</u>
Instalments not due within five years	1,783	5,349
d. Bank loans and overdrafts		
Not wholly repayable within five years by instalments	142,709	-
Wholly repayable within five years	260,330	218,789
	<u>403,039</u>	<u>218,789</u>
Included in current liabilities	(50,185)	(118,661)
	<u>352,854</u>	<u>100,128</u>
Instalments not due within five years	165,309	152,742

10. Capital commitments

	2001 £	2000 £
Amount contracted for but not provided in the financial statements	28,173	-

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

11. Capital and reserves		2001 £	2000 £
a. General reserves			
Balance brought forward		944,202	993,516
Deficit for year		(18,907)	(46,166)
Realised losses on investments		(402)	-
Unrealised (losses)/gains on investments		(3,933)	1,055
Transfer to Friends of Old Buckenham Hall School		(2,031)	(2,451)
Transfer to other specific donations		(1,968)	(1,752)
Balance carried forward		916,961	944,202
b. Designated reserves	Noted below	2001 £	2000 £
Other specific donations	(i)	253,311	251,343
Friends of Old Buckenham Hall School	(ii)	93,891	91,860
		347,202	343,203
(i) Other specific donations		2001 £	2000 £
Balance brought forward		251,343	249,591
Donations received		1,968	1,752
Balance carried forward		253,311	251,343
(ii) Friends of Old Buckenham Hall School		2001 £	2000 £
Balance brought forward		91,860	89,409
Other donations		2,031	2,451
Balance carried forward		93,891	91,860

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

12.	a.	Reconciliation of surplus of income to net cash inflow from operating activities	2001 £	2000 £		
		Net movement in funds for the year	(23,242)	(45,111)		
		Investment income	(20,839)	(10,554)		
		Interest payable	14,954	12,004		
		Depreciation	54,109	35,676		
		Profit on sale of fixed assets	-	(805)		
		(Increase)/decrease in stocks	(202)	95		
		Decrease/(increase) in debtors	9,598	(14,901)		
		(Decrease)/increase in creditors	(8,043)	24,904		
		Realised losses	402	-		
		Unrealised losses/(gains)	3,933	(1,055)		
			<u>30,670</u>	<u>(557)</u>		
	b.	Analysis of cash resources				
		2000 £	Cashflow £	Other non cash changes £	2001 £	
		Cash at bank and in hand	294,533	(61,765)	-	232,768
		Bank overdraft	(70,709)	(82,946)	-	(153,655)
			<u>223,824</u>	<u>(144,711)</u>	<u>-</u>	<u>79,113</u>
		Debt due within 1 year	(22,099)	(28,087)	(3,566)	(53,752)
		Debt due after 1 year	(119,741)	(252,726)	3,566	(368,901)
			<u>(141,840)</u>	<u>(280,813)</u>	<u>-</u>	<u>(422,653)</u>
		Total	<u>81,984</u>	<u>(425,524)</u>	<u>-</u>	<u>(343,540)</u>
	c.	Returns on investments and servicing of finance	2001 £	2000 £		
		Dividends and interest received	20,840	10,504		
		Interest paid	(11,479)	(12,916)		
			<u>9,361</u>	<u>(2,412)</u>		

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st AUGUST 2001

12.	d.	Capital expenditure	2001 £	2000 £
		Payments to acquire tangible fixed assets	(466,022)	(108,547)
		Receipts from sales of tangible fixed assets	-	1,000
		Payments to acquire fixed assets investments	(12,839)	-
		Receipts from sales of fixed assets investments	13,306	-
			<u>(465,555)</u>	<u>(107,547)</u>
	e.	Financing		
		Cash element	<u>(280,813)</u>	<u>(20,484)</u>

13. Pension commitments

The school operates three pension schemes as disclosed in accounting policy note 1h.

The assets of the schemes are held separately from those of the school in independent administered funds.

The pension cost charge represents contributions payable by the school to the funds and amounted to £49,663 (2000: £42,574).

There were no outstanding contributions payable to the funds at the year end.