

FYLING HALL SCHOOL TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS

For the year ended
31st August 2004

Company No. 1377607
Registered Charity No. 507857



FYLING HALL SCHOOL TRUST LIMITED

Directors' Report

For the year ended 31st August 2004

STATUS AND ADMINISTRATION

The School was founded in 1923. On the 7th July 1978 a Limited Company was formed, number 1377607, and the Company became a Charitable Trust number 507857. The Memorandum and Articles of Association were amended on 24th November 1994. The liability of the members is limited, by guarantee, to such an amount as may be required not exceeding £1.

DIRECTORS

The present Directors of the Company, who are also the Charity Trustees and the Governors of the School, and those who served during the year as indicated are:

J.H. Hemson (Chairman)
Philippa, Viscountess Astor
Dr. J. Rutherford
M.K. Swales
Mrs. M.R.D. Terry (Resigned 14th July 2004)
Miss B. Easton
A.J. Thomson
S. Fusco
Mrs I. Carmichael

The members of the governing body shall be the subscribers to the Memorandum of Association and such other persons (being members of the Trust) as shall from time to time be elected thereto by the governing body.

At the Annual General Meeting, one third of the members of the Governing Body, or, if this number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office and be eligible for re-election. The members retiring by rotation are Miss B. Easton and A. J. Thomson.

FYLING HALL SCHOOL TRUST LIMITED

Directors' Report (Cont'd)

For the year ended 31st August 2004

PROFESSIONAL ADVISERS AND KEY PERSONNEL

The Head	S.D.M. Barnett
Company Secretary	G.J.W. Rippon
Registered Office and Principal Address	Fyling Hall School Trust Limited Robin Hood's Bay Whitby North Yorkshire YO22 4QD
Bankers	HSBC plc 4 Baxtergate Whitby North Yorkshire YO21 1BD
Solicitors	Pinkney Grunwells Lion Chambers 2 Golden Lion Bank Whitby North Yorkshire YO21 3BS
Registered Auditor	N T O'Reilly & Partners Chartered Accountants Ullswater House Duke Street Penrith Cumbria CA11 7LY

OBJECTS

The objects for which the Trust is established are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom any boarding or day college or colleges, school or schools for the education of students and children of either sex or both sexes.

FYLING HALL SCHOOL TRUST LIMITED

Directors' Report (Cont'd)

For the year ended 31st August 2004

ORGANISATIONAL STRUCTURE

The Articles of Association states that "the business of the Trust shall be managed by the Governing Body..." The Governing Body ensures that the objectives of the Trust are met and do this with the aid of a Committee Structure. The Committees are as follows: Curriculum and Personnel, Finance, Premises, Complaints and Disciplinary Appeals and Health and Safety.

The day to day management of the school is delegated to the Head.

OPERATIONAL POLICY

The Policy continues to be to operate a non-selective, co-educational boarding and day school for pupils between the age of 5 – 18 years.

The school's Policy is to strive to attain a high academic level whilst maintaining non-selection and a modest fee level. The aims, with extra-curricular programmes, are to develop other interests and prepare them for further education with a solid foundation in life.

REVIEW OF ACTIVITIES, DEVELOPMENTS AND ACHIEVEMENTS

The percentage of boarders remained constant and after allowing for a marginal reduction in overall numbers the school remained in a healthy state during the year under review.

The students are continually encouraged to partake in public speaking. The senior team was successful in a local competition with individuals also achieving success. Once again a number of students were well placed in the local musical festival.

The school has a very able and committed sports department which has enabled the school teams to do well on the games fields of North Yorkshire and beyond.

Turning to educational results, the school has achieved much with its policy of non selection. The results compared with the national average for non-selective schools are significantly above that average. All sixth formers entered good universities.

The school received much good publicity during the last year. The schools position of 4th in the Financial Times value for money league of independent boarding schools was very pleasing. There was also an article in the Telegraph Weekend Magazine based on the healthy menus provided for our students.

The governing body extend their thanks for the hard work of the staff including the Parent Teacher Association which is so important for the development and success of the students.

During the year Mrs M.R.D. Terry resigned. The governing body wish to record their thanks and gratitude for all Mrs Terry's hard work and assistance over the years.

FYLING HALL SCHOOL TRUST LIMITED

Directors' Report (Cont'd)

For the year ended 31st August 2004

FINANCIAL RESULTS AND RESERVES POLICY

The governing body are pleased to report a profit of £72,000 for the year under review. This is in line with the significantly improved result expected in last years report. This result would have been somewhat higher had it not been necessary to write off an old mini bus and purchase a new one at a cost of £14,000. During the year, the kitchen was revamped and £13,000 spent on capital equipment.

The surplus has been taken to reserves so that free reserves now stand at £606,000. This exceeds the policy on reserves of £550,000. However, it is anticipated that costs will increase during the current year and that the level of reserves will be increased accordingly. Surplus reserves will be used to accommodate medium term goals when appropriate.

The outlook for the current year is one of deficit. Income will not be at the required level in that boarders as a percentage of total students has reduced from 59% to 56%.

INVESTMENT POWERS, POLICY AND PERFORMANCE

There are no restrictions on the Company's absolute powers of investment. The Board's policy continues to be that as reserves are for working capital and short-term contingencies they should be held on deposit with not less than 80% to be with the major UK clearing banks. The returns fluctuate in line with base rates.

RISK MANAGEMENT

The Board continue 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 systems of control and other viable means, including insurance cover where appropriate, by which those risks already identified by the Governors can best be mitigated.

FYLING HALL SCHOOL TRUST LIMITED

Directors' Report (Cont'd)

For the year ended 31st August 2004

LAWS & REGULATIONS

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (Charities SORP 2000).

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of N T O'Reilly & Partners, Chartered Accountants as Auditors to the Company will be put to the annual general meeting.

Approved by the Board of Directors
at its meeting on 6th November 2004 and signed on its behalf by:


J.H. Hemson – Chairman

Date: 6.11.2004

FYLING HALL SCHOOL TRUST LIMITED

Statement of Directors' Responsibilities

For the year ended 31st August 2004

The purpose of this statement is to distinguish the Directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its net income or expenditure for the year.

In preparing the accounts 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the company at any time, and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the company's corporate assets and those of its trust funds and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

FYLING HALL SCHOOL TRUST LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF FYLING HALL SCHOOL TRUST LIMITED**

We have audited the financial statements of Fyling Hall School Trust Limited on pages 8 to 14 for the year ended 31st August 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 6 the company's directors are responsible for the preparation of 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 directors' report 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

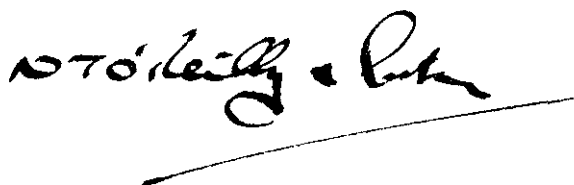
Basis of audit opinion

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 company's affairs at 31st August 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



11/11/2004

N T O'REILLY & PARTNERS
Registered Auditor and Chartered Accountants
Ullswater House, Duke Street
Penrith
Cumbria CA11 7LY

FYLING HALL SCHOOL TRUST LIMITED

Statement of Financial Activities for the year ended 31st August 2004

Income & Expenditure Account		2004	Total
		Unrestricted Funds	2003
	Notes	£000	£000
Incoming Resources:			
School Fees Receivable		1,648	1,508
Other Activities to Generate Funds:			
Other Income	2	29	21
Investment Income	3	<u>19</u>	<u>16</u>
Total Incoming Resources		<u>1,696</u>	<u>1,545</u>
Resources Expended			
Charitable Expenditure:			
Teaching costs		869	826
Welfare		318	286
Premises		313	295
Support Costs		69	50
Management and administration of the charity		<u>55</u>	<u>56</u>
Total Resources Expended	4-6	<u>1,624</u>	<u>1,513</u>
Net Income for the Year		72	32
Funds Brought Forward 1 st September 2003		<u>872</u>	<u>840</u>
Funds Carried Forward 31 st August 2004		<u>944</u>	<u>872</u>

Continuing operations

None of the Company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

There were no recognised gains or losses other than the loss or profit for the above two financial years.

The notes on pages 10 to 14 form part of these accounts.

FYLING HALL SCHOOL TRUST LIMITED

Balance Sheet as at 31st August 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		<u>£000</u>	<u>£000</u>
Fixed Assets			
Tangible Fixed Assets			
School Land, Buildings and Equipment	7	338	353
Investments	8	<u>167</u>	<u>263</u>
		<u>505</u>	<u>616</u>
Current Assets			
Stock		6	6
Debtors	9	122	82
Cash at bank and in hand		<u>454</u>	<u>326</u>
		582	414
Creditors: Due within one year:	10	<u>143</u>	<u>158</u>
Net Current Assets		<u>439</u>	<u>256</u>
Total Assets Less Current Liabilities		<u>944</u>	<u>872</u>
 Unrestricted Funds	 12	 <u>944</u>	 <u>872</u>
Total Funds		<u>944</u>	<u>872</u>

Approved by the Board on 6th November 2004
and signed on its behalf by

 Chairman
J.H. Hemson

The notes on pages 10 to 14 form part of these accounts.

FYLING HALL SCHOOL TRUST LIMITED

Notes to the Accounts

For the year ended 31st August 2004

1. Accounting Policies

a) Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and the current Statement of Recommended Practice on accounting and reporting by charities: The Charities SORP 2000, as modified by the Financial Reporting Standard for Smaller Entities and the Companies Act 1985.

b) Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets retained for use by the school at rates calculated to spread each asset's cost, less its estimated residual value evenly over its expected useful economic life.

Leasehold buildings	- over the term of the lease
Motor vehicles	- 25% per annum reducing balance
Equipment, fixtures, fittings	- 10% per annum reducing balance

Items costing less than £5,000 are written off as an expense as acquired.

c) Fees

Fees consist of charges billed for the school year ending 31st August, less bursaries and allowances.

d) Expenditure

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned on a time basis as considered appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

e) Teaching Costs

Supplies of games equipment, books, stationery and sundry materials are written off to the Income and Expenditure Account as soon as the expenditure on procuring them is incurred.

FYLING HALL SCHOOL TRUST LIMITED

Notes to the Accounts

For the year ended 31st August 2004

f) Pension Schemes

The school participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme for its teaching staff. The pension liability is the responsibility of the Teachers Pension. As a result it is not possible to identify the assets and liabilities of the scheme that are attributed to the school. Accordingly under FRS17 the scheme is accounted for as if it were a defined contributions scheme. There is also a Stakeholder Pension Scheme in place, but to date no employee has elected to join the same.

g) Taxation

The Company is a registered charity and has no liability to corporation tax.

h) Cash Flow Statement

The Company is defined as small per the Companies Act 1985 and has, therefore, relied on the exemption given by Financial Reporting Standard 1 not to produce a cash flow statement.

i) Operating Leases

Rentals due under operating leases are charged to the Income and Expenditure Account on a straight line basis over the term of the lease.

2.	<u>Other Income</u>	<u>2004</u>	<u>2003</u>
		<u>£000</u>	<u>£000</u>
	Lettings	<u>29</u>	<u>21</u>
		<u>29</u>	<u>21</u>
3.	<u>Investment Income</u>		
	Interest received from UK deposit takers	<u>19</u>	<u>16</u>

FYLING HALL SCHOOL TRUST LIMITED

Notes to the Accounts

For the year ended 31st August 2004

4.	<u>Staff Costs</u>	<u>2004</u>	<u>2003</u>
		<u>£000</u>	<u>£000</u>
	Salaries	943	886
	Social Security Costs	67	59
	Pension Contributions	63	48
		<u>1,073</u>	<u>993</u>

The school participates in the Government's Teachers Pension Defined Benefits Scheme for its teaching staff. The school's contributions represent a minor proportion of the payments into the scheme. The superannuation charge represents contributions payable to the fund of £63,071 (2003: £48,431).

The average number of employees in the year was:	<u>2004</u>	<u>2003</u>
	<u>No.</u>	<u>No.</u>
Teaching	36	37
Welfare	17.5	15.5
Premises	7	7
Support	1	1
Management	2.5	2.5
	<u>64</u>	<u>63</u>

The following number of employees were in the Emoluments band £50,000-£60,000 and were in a defined benefit scheme:

<u>1</u>	<u>Nil</u>
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The Directors of the Company are also governors. They are unpaid and thus have been excluded from the average number of employees above. Expenses were reimbursed to the Directors of £464 (2003: £351). There is a block policy for professional indemnity insurance in respect of all employees, including the trustees. On a pro rata basis the amount attributable to the trustees is £91.

5. Expenditure – Analysis of Total Resources Expended

	<u>Staff</u>			
	<u>Costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>
<u>Charitable Expenditure:</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Teaching Costs	783	77	9	869
Welfare Costs	168	150	-	318
Premises	65	216	32	313
Support Costs	14	55	-	69
Charity Management & Administration	43	12	-	55
	<u>1,073</u>	<u>510</u>	<u>41</u>	<u>1,624</u>

FYLING HALL SCHOOL TRUST LIMITED

Notes to the Accounts

For the year ended 31st August 2004

6.	<u>Expenditure – Other Disclosures</u>		<u>2004</u>	<u>2003</u>
			<u>£000</u>	<u>£000</u>
	Costs of Management and Administration of the Company include:			
	Auditor's remuneration:	For audit	4	4
		For other services	<u>6</u>	<u>6</u>
7.	<u>Tangible Fixed Assets</u>			
		Short-Term Leasehold Land & Buildings	Equipment Fixtures & Fittings	Motor Vehicles
	<u>Cost</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
	1 st September 2003	986	28	26
	Additions	-	13	14
	Disposals	-	-	(14)
	31 st August 2004	<u>986</u>	<u>41</u>	<u>26</u>
				<u>1,053</u>
	<u>Depreciation</u>			
	1 st September 2003	651	20	16
	Charge for Year	32	2	7
	Elimination on Disposal	-	-	(13)
	31 st August 2004	<u>683</u>	<u>22</u>	<u>10</u>
				<u>715</u>
	<u>Net Book Values</u>			
	31 st August 2004	<u>303</u>	<u>19</u>	<u>16</u>
	31 st August 2003	<u>335</u>	<u>8</u>	<u>10</u>
				<u>338</u>
				<u>353</u>
8.	<u>Investments</u>		<u>2004</u>	<u>2003</u>
			<u>£000</u>	<u>£000</u>
	Cash held for investment at 1 st September 2003		263	186
	Net increase/(decrease)		<u>(96)</u>	<u>77</u>
	Cash held for investment at 31 st August 2004		<u>167</u>	<u>263</u>
	All cash held as investments is with UK deposit takers.			
9.	<u>Debtors</u>		<u>2004</u>	<u>2003</u>
			<u>£000</u>	<u>£000</u>
	Trade Debtors (fees)		78	54
	Other Debtors		23	11
	Prepayments		<u>21</u>	<u>17</u>
			<u>122</u>	<u>82</u>

FYLING HALL SCHOOL TRUST LIMITED

Notes to the Accounts

For the year ended 31st August 2004

10.	<u>Creditors: due within one year</u>	<u>2004</u>	<u>2003</u>
		<u>£000</u>	<u>£000</u>
	Trade Creditors	45	61
	Other Taxes & Social Security	20	18
	Accruals and Deferred Income	78	79
		<u>143</u>	<u>158</u>

11. Contracts and Commitments

No capital commitments were contracted for at 31st August 2004 (2003-- Nil).

12. Reserves and Reconciliation of Movement in Funds

	<u>Income and</u>
	<u>Expenditure</u>
	<u>Account</u>
	<u>£000</u>
Balance at 1 st September 2003	872
Profit for the year	72
Balance at 31 st August 2004	<u>944</u>

13. Operating Lease Commitments

At 31st August 2004 the Company was committed to making the following annual payments in respect of operating leases:

	<u>Land and</u>
	<u>Buildings</u>
	<u>£000</u>
Leases which expire:	
After 5 years	28