

to House

CRANLEY SCHOOL LIMITED

(a company limited by guarantee)

Registered Number: 47152

Directors' Report and Financial Statements

For the year ended 31 August 2002



CRANLEY SCHOOL LIMITED
(a company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31 August 2002

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Directors

Miss L J Dorrian QC
Mrs V Fiddes
Mrs A Gilmour
Mrs E A Templeton
Miss V Wilson

Secretary

Mrs A Gilmour

Bankers

Royal Bank of Scotland plc
26 Home Street
Edinburgh
EH3 9LZ

Auditors

Scott-Moncrieff
17 Melville Street
Edinburgh
EH3 7PH

Registered office

14 Rutland Square
Edinburgh
EH1 2BD

Company Registered in Scotland No 47152

Scottish Charity No SCO10357

CRANLEY SCHOOL LIMITED
(a company limited by guarantee)

Directors' Report

For the year ended 31 August 2002

The directors have pleasure in submitting their report and the audited financial statements for the year ended 31 August 2002.

Constitution

The company which is limited by guarantee and has no share capital was established on 31 December 1969. The management of the company is the responsibility of the directors who are appointed in accordance with the Memorandum and Articles of Association.

Principal activities

The company administers a pension fund for certain former employees of Cranley School. All surplus funds after providing for the current and continuing obligations of the pension fund are held and administered on behalf of the Trustees of the Cranley Trust which was set up primarily for the benefit of St Denis and Cranley School and other educational purposes.

There have been no changes to the charity's objects since the last report.

Results for the year

The results for the year are shown in the attached income and expenditure account and the directors recommend that the deficit be carried to the appropriate reserves. During the year no grants were made.

The accounts have been prepared in accordance with current statutory requirements and the charity's memorandum and articles of association. The directors confirm on a fund to fund basis that the company's assets are available and adequate to fulfil the obligations of the company.

Reserves policy

The Trustees are conscious of the need to have a reserves policy and are taking steps to devise and implement an appropriate policy.

Risk assessments

The Trustees have considered the major risks to which the charity is exposed and taken the necessary steps to mitigate those risks.

Taxation

The company is a charity and is recognised as such by the Inland Revenue for taxation purposes. As a result there is no liability to taxation on any of its income.

Directors and their interests

The directors in office during the year are as shown on the previous page. Mrs V Fiddes and Mrs A Gilmour retire by rotation and being eligible offer themselves for re-election.

CRANLEY SCHOOL LIMITED
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Directors' Report - continued

For the year ended 31 August 2002

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 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.

Directors' responsibilities - continued

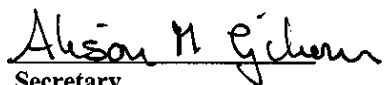
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Scott-Moncrieff Chartered Accountants as auditors will be put to the members at the annual general meeting.

By order of the board

19th June 2003


Secretary
A Gilmour

CRANLEY SCHOOL LIMITED

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Independent Auditors' Report to the members

For the year ended 31 August 2002

We have audited the financial statements of Cranley School Limited for the year ended 31 August 2002 set out on pages 4 to 8. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out on page 6.

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 auditor's 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 Directors' Responsibilities the charitable 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 charitable 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 charitable 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 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 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 state of the charitable company's affairs as at 31 August 2002 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.

Scott - Moncrieff

SCOTT-MONCRIEFF

Chartered Accountants

Registered Auditor

17 Melville Street

Edinburgh

EH3 7PH

23 June 2003

CRANLEY SCHOOL LIMITED
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**Income and Expenditure Account
and Statement of Financial Activities**

For the year ended 31 August 2002

	Notes	Pension Funds £	Unrestricted Funds £	2002 Funds £	2001 Total £
Incoming Resources from operating activities					
Investment income		121	4,472	4,593	12,777
Resources expended					
Costs of activities in furtherance of charity's objects:					
-charitable expenditure	4	1,968	-	1,968	5,907
Management and administration	4	-	3,608	3,608	3,288
Total Resources Expended		1,968	3,608	5,576	9,195
Net (outgoing)/incoming resources		(1,847)	864	(983)	3,582
Unrealised losses on investments		(13,598)	-	(13,598)	-
Net Movement in funds		(15,445)	864	(14,581)	3,582
Total funds brought forward		96,951	106,904	203,855	200,273
Total funds carried forward		81,506	107,768	189,274	203,855

All activities of the company relate to continuing operations. There is no difference between the net outgoing resources for the year stated above and its historical cost equivalent.

The company has no recognised gains or losses other than those included in the income and expenditure account above.

The notes on pages 6 to 8 form part of these financial statements

CRANLEY SCHOOL LIMITED
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Balance Sheet

As at 31 August 2002

	Notes	2002		2001	
		£	£	£	£
Investments	5		180,480		-
Current assets					
Funds on deposit	6	8,000		200,000	
Debtors	7	78			
Cash at bank and in hand		1,747		4,826	
		9,825		204,826	
Creditors: Amounts falling due within one year	8	(1,031)		(971)	
Net current assets			8,794		203,855
Total assets less current liabilities			189,274		203,855
Represented by:	9				
Unrestricted Funds			107,768		106,904
Pension fund			81,506		96,951
			189,274		203,855

The financial statements were approved by the

directors on 19th June 2003

Alison H Gilmour Director
A Gilmour

The notes on pages 6 to 8 form part of these financial statements

CRANLEY SCHOOL LIMITED
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Notes to the Financial Statements

For the year ended 31 August 2002

1. Accounting policies

Basis of accounting

These financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of investments and in accordance with applicable accounting standards in the United Kingdom and with Statement of Recommended Practice - Accounting by Charities 2000. The following is a summary of the more important accounting policies used by the company.

Investments

Investments are included in the Balance Sheet at market value. Gains and losses are recognised in the Statement of Financial Activities in the year in which they arise.

Investment income

Income from investments is included in the income and expenditure account in the period in which it is receivable.

Analysis of expenditure

Where possible expenditure is allocated directly to the function to which it relates. Where this is not possible, it is apportioned among the functions to which it relates.

Value added tax

The company is not registered for value added tax and accordingly expenditure includes value added tax where applicable.

Cashflow statement

The company is exempt from preparing a cashflow statement in compliance with the Financial Reporting Standard No1.

2. Pension fund income

The directors have decided that with effect from 1 September 1995 bank interest received should be added to the general fund and pension fund investment income should be added to the pension fund.

3. Directors' emoluments

	2002 £	2001 £
Pension	-	1,909
Other emoluments	-	-
	-	1,909

Miss Alison Gilmour received £85 in reimbursement of expenses incurred.

CRANLEY SCHOOL LIMITED
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Notes to the Financial Statements - continued

For the year ended 31 August 2002

4.	Analysis of Expenditure	Pension Fund £	Unrestricted Funds £	2002 Unrestricted Funds £	2001 Total Funds £
	<i>Costs of activities in furtherance of charities objects: charitable expenditure</i>				
	Pension payments	1,968	-	1,968	5,907
	<i>Management and administration</i>				
	Professional fees	-	2,380	2,380	2,300
	Auditors' remuneration	-	881	881	822
	Underprovision in previous year	-	59	59	5
	Miscellaneous expenses	-	288	288	161
		-	3,608	3,608	3,288
5.	Investments				£
	Quotes UK Investments				
	Additions in year				194,078
	Unrealised losses				(13,598)
					-
	Market value as at 31 March 2002				180,480
	Historical cost as at 431 March 2002				194,078
	Investments held representing >5% of total portfolio:				£
	5,368	HSBC Investment funds (UK)			13,266
	55,534	Aberdeen UT Managers Fixed Interest Trust			14,567
	28,891	Invesco Fund Mgrs Perp. Corp Band			20,780
	2,909	Credit Suisse A.M			13,051
	33,195	Henderson GBL Inv. + BD CLS			19,548
	19,380	Old Mutual FD Mgrs Corporate Board			21,250
	60	Odey Asset Mgt			9,746
	98	Victory Capital CLS "A" Redeemable.			9,697
	33,625	M&G Securities			10,024
6.	Funds on deposit			2002 £	2001 £
	Funds on deposit in UK accounts at 31 August 2002			8,000	200,000

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Notes to the Financial Statements - continued

For the year ended 31 August 2002

7.	Debtors		2002 £	2001 £	
	Sundry debtors		72	-	
	Tax recoverable		6	-	
			78	-	
8.	Creditors		2002 £	2001 £	
	Accruals		1,031	971	
9.	Funds	Pension Funds £	Unrestricted Funds £	2002 £	2001 £
	Opening balance 1 September 2001	96,951	106,904	203,855	200,273
	Incoming resources	121	4,472	4,593	12,777
	Outgoing resources	(1,968)	(3,608)	(5,576)	(9,195)
	Unrealised losses on investments	(13,598)	-	(13,598)	-
	Balance at 31 August 2002	81,506	107,768	189,274	203,855