

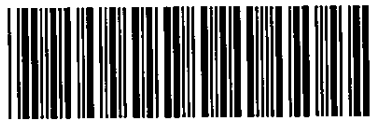
SC660091

LOMOND SCHOOL LIMITED
(CHARITY NUMBER SC007957)

ANNUAL REPORT AND ACCOUNTS

31ST JULY 2012

TUESDAY



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LOMOND SCHOOL LIMITED
INDEX TO THE ANNUAL REPORT
31ST JULY 2012

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LOMOND SCHOOL LIMITED

GOVERNORS, OFFICERS AND ADVISERS

BOARD OF GOVERNORS

A J D Hope LLB (Chairman)
C M Burnet CA (Vice Chairman)

Ms C Dobson BSc MSI (Former Chairman)
T S Smith BSc M Ed - Resigned 21st November 2011
Mrs A Stanley-Whyte LL Dip LP NP
F Thornton BA CA
Mr D Bowman FNAEA
Captain P Merriman RN C Eng MiMechE
Professor R Brown BSc PhD
Dr T Reitano MB ChB
Mr P Silvey BA (Cantab)
Mrs L Wooller BA - Resigned 28th May 2012

SECRETARY

A J D Hope LLB
10 Stafford Street
Helensburgh G84 9JX

ADDRESS OF HEAD OFFICE

Lomond School Ltd
10 Stafford Street
Helensburgh G84 9JX

AUDITORS

Hammond and Company
Chartered Accountants
69 Sinclair Street
Helensburgh G84 8TG

BANKERS

The Royal Bank of Scotland plc
2 Colquhoun Square
Helensburgh G84 8SL

HEADMASTER

S J Mills MA (Cantab)

DEPUTE HEADS

Pastoral - Mr A B H Minnis MA (Hons), PGCE, Cert PP Academic – Mr I Morrison BSc LLB PGCE

CLERK TO THE GOVERNORS

P L McElwee CA

LOMOND SCHOOL LIMITED

REPORT BY THE GOVERNORS

The Governors submit their report and accounts for the year ended 31 July 2012.

STATUS AND ADMINISTRATION

The Company was incorporated under the Companies Act 1948 and 1967. It is limited by guarantee, has no share capital, and has charitable status. (Charities reference no. SC007957).

CHARITABLE OBJECTS AND GOVERNING DOCUMENT

The Objects of the Charity are set out in the Memorandum of Association dated June 1976 as the education of boys and girls with or without boarding facilities.

ORGANISATIONAL STRUCTURE

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Head and the Bursar.

GOVERNING BODY

The Governors, who are also required under the Articles to serve as members of the Company, are elected at a full Governors' Meeting from nominations received by the Board. Criteria for election will include eligibility, personal competence, specialist skills and local availability. Many of the Governors will be parents of pupils at the School. One third of the Board is required to resign each year and shall be eligible for re-election. The Governors to retire in rotation are those who have been longest in office since their last election to the Board.

TRUSTEE TRAINING

The Company has reviewed its policies relating to the induction and training of Governors to ensure that they are sufficient to comply with new guidelines and recommendations issued by the Office of the Scottish Charity Regulator. New Governors are inducted into the workings of the School, and also of the Company as a registered charity, including Board Policy and Procedures, at an induction presentation organised for them by the Head and the Bursar. Further training is available to Governors through outside organisations such as the Scottish Council of Independent Schools.

ORGANISATIONAL MANAGEMENT

The Governors meet as a Board at least three times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. The Head, Depute Head and Bursar attend these meetings. The work of reviewing and implementing most of the Board's policies is carried out by two subcommittees; the Finance and General Purposes Committee which is specifically responsible for reviewing financial policy, budgets and accounts, and the Education Committee which is responsible for education policy. The day-to-day running of the School is delegated to the Head and the Bursar, supported by the other members of the Senior Management Team.

OPERATIONAL POLICY

The company continues to operate as a co-educational day school with boarding facilities.

GOVERNORS AND THEIR INTERESTS

No Governor is interested in any contract which may subsist with the company.

In accordance with Article 53 Ms C Dobson, Mr C Burnet and Mr F Thornton fall due to retire at this time. Ms C Dobson has decided not to seek re-election to the Board and Mr Burnet and Mr Thornton offer themselves for re-election. Mr Silvey falls due to retire under Article 34 and offer himself for re-election.

LOMOND SCHOOL LIMITED

REPORT BY THE GOVERNORS

REVIEW OF ACTIVITIES

The continued recession which has affected most of the major economies has continued throughout the past year. The local economy has shown a significant downturn which has adversely affected many small businesses and also the Helensburgh property market. This has led to many families having to make sacrifices to be able to meet the payment of fees and, indeed, some families have unfortunately been forced to withdraw their children from school. The school roll for the year reduced to an average of 490 pupils (2011 – 513 pupils) and this has had an effect on fee income streams. The school has maintained its focus on costs and the reductions achieved have enabled strong trading results to be delivered whilst ensuring that there has been no diminution of educational provision. Further reductions in the school roll have been experienced in 2012/13 and the drive to reduce costs will continue. The school's cash position remains healthy and a further £200,000 has been repaid to the Royal Bank of Scotland in relation to the borrowing which was put in place to support the construction of the sports hall in 2009. The school's overdraft facility was not utilised during the year.

An upgrade to a biology laboratory was completed in August 2011 and work commenced on the refurbishment of the Junior School over the Summer 2012. This project is scheduled to continue in April 2013 and the work is planned for completion in August 2013. Major IT upgrades have taken place with the school's administration system having been replaced with a hosted application in February 2012. The school's email system transitioned to MS365 in July 2012. These changes have delivered the capability for access to school systems from any internet access point.

Demand for boarding places has been strong during the year and links to China and Germany have been strengthened. Further liaison with academic agents is planned over the coming months.

The school has successfully delivered the commitments contained within the action plan relating to public benefit which was submitted during 2009. Having reviewed the progress made by the school the Scottish Charity Regulator (OSCR) announced in November 2011 that the school provides public benefit and that it had therefore passed the charity test. This was the culmination of many years of effort involving the establishment of facilitated access for pupils and the strengthening of community links by sharing of school resources. The Board of Governors remain committed to the provision of public benefit and programmes are in place to ensure that the school continues to meet its charitable objectives

The investment portfolio which supports the school's contingency fund continues to perform relatively well and the broad base of investments including government bonds gives additional protection in respect of movements in stock markets. The income returns from the portfolio have been relatively low and this reflects the market conditions which prevail at present.

FINANCIAL ACTIVITIES AND RESULTS

The School's net unrestricted surplus for the year was £526,956 compared with £416,538 for the previous year.

RESERVES POLICY AND LEVEL

The School's unrestricted funds stood at £8,058,027 at the year-end, of which £6,922,989 is deployed as part of the school premises and equipment. The balance is made up of £522,394 free reserves to cover day to day working capital needs and a contingency fund of £612,644.

Further long term investment of funds has been put on hold at this point in time due to economic uncertainty and the need to meet ongoing working capital requirements. The long term strategic objective of the Board remains the build up of a strategic fund of £1,000,000, designed in part to help support the growth in means tested bursaries which will in turn facilitate access to the charitable benefits of the School.

The loan funding outstanding at the year end was £333,335 compared to £533,335 at the previous year end.

RISK MANAGEMENT

The Board continue to keep the School's activities under review, particularly with regard to any major risks that might arise from time to time, and to monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified by the Governors can best be mitigated. The School Health and Safety policy is reviewed on a regular basis and risk assessments are carried out across all key areas of operation.

AUDITORS

A resolution to re-appoint Hammond and Company as auditors will be proposed at the Annual General Meeting.

By Order of the Governors



P L McElwee
Clerk to the Governors
Helensburgh
15th October 2012



AJD Hope
Chairman of the Board of Governors
Helensburgh
15th October 2012

LOMOND SCHOOL LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company law requires the Governors 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 profit or loss of the company for that period. In preparing those financial statements, the Governors are required to

- select suitable accounting policies and 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 company will continue in business.

The Governors are responsible for keeping proper accounting records which disclose the 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 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for taking steps for the prevention of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF LOMOND SCHOOL LIMITED

We have audited the Financial Statements of Lomond School Ltd for the year ended 31st July 2012 which comprise the Statement of Financial Activity, the Balance Sheet, the Cash Flow Statement and the related notes. The Financial Statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Governors and Auditors

The Governors are responsible for preparation of the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the Financial Statements give a true and fair view are set out in the Statement of Governors' Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Report by the Governors is consistent with those Financial Statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's Financial Statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Annual Report and Accounts, and consider whether it is consistent with the audited Financial Statements. This other information comprises only The List of Governors, Officers and Advisors, The Report by the Governors and the Statement of Governors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the charity'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31st July 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended. The Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The Financial Statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) 2006 and the information given in the Trustees' Annual Report is consistent with the Financial Statements.

Mhairi Fulton

M Fulton BA CA, Senior Statutory Auditor

For and on behalf of Hammond & Company, Chartered Accountants and Statutory Auditor

69 Sinclair Street

Helensburgh

G84 8TG

15th October 2012

Note - Hammond & Company is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

LOMOND SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
31ST JULY 2012

	Notes	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	ENDOWMENT FUNDS £	2012 £	2011 £
INCOMING RESOURCES						
Fees receivable	(2)	4,716,286		-	4,716,286	4,570,856
Other income		84,635	-		84,635	56,611
Donations		-	27,004	-	27,004	3,000
Bank interest	(3)	10,021	-	-	10,021	3,694
Investment income		20,741	-	-	20,741	18,912
		<u>4,831,683</u>	<u>27,004</u>	<u>-</u>	<u>4,858,687</u>	<u>4,653,073</u>
RESOURCES EXPENDED						
Direct Charitable Expenditure						
Teaching		2,749,351	35,025	-	2,784,376	2,830,340
Welfare		276,401	-	-	276,401	271,314
Premises		832,952	2,500	-	835,452	741,489
Support		443,307	-	-	443,307	450,430
Awards		-	-	-	-	-
		<u>4,302,011</u>	<u>37,525</u>	<u>-</u>	<u>4,339,536</u>	<u>4,293,573</u>
Other Expenditure						
Governance costs		6,700	-	-	6,700	6,604
Finance costs		11,999	-	-	11,999	16,626
	(4-7)	<u>4,320,710</u>	<u>37,525</u>	<u>-</u>	<u>4,358,235</u>	<u>4,316,803</u>
NET INCOMING RESOURCES		510,973	(10,521)	-	500,452	336,270
Gains/(losses) on realisation/revaluation of investments		15,983	-	(36)	15,947	65,217
Transfer between funds		-	-	-	-	-
NET MOVEMENT ON FUNDS		<u>526,956</u>	<u>(10,521)</u>	<u>(36)</u>	<u>516,399</u>	<u>401,487</u>
Funds b/fwd from previous year		7,531,071	62,042	4,125	7,597,238	7,195,751
FUNDS AT 31 JULY 2012		<u><u>8,058,027</u></u>	<u><u>51,521</u></u>	<u><u>4,089</u></u>	<u><u>8,113,637</u></u>	<u><u>7,597,238</u></u>

LOMOND SCHOOL LIMITED
BALANCE SHEET
31ST JULY 2012

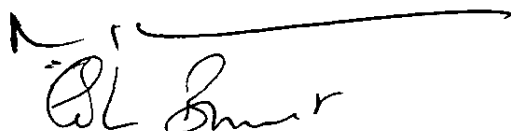
	Notes	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	(8)		6,922,989		7,089,004
Work in progress	(9)		0		18,224
Investments (unrestricted)	(10)		612,644		596,661
Investments (endowment)	(10)		4,089		4,125
			<u>7,539,722</u>		<u>7,708,014</u>
CURRENT ASSETS					
Stock	(11)	3,217		2,695	
Debtors	(12)	67,704		64,686	
Cash and Bank at Hand		<u>1,132,248</u>		<u>653,998</u>	
		1,203,169		721,379	
CREDITORS					
Amounts falling due within one year	(13)				
Creditors and Accruals		295,919		298,820	
Bank Loan		200,000		200,000	
Bank Overdraft		<u>-</u>		<u>-</u>	
		495,919		498,820	
NET CURRENT ASSETS/(LIABILITIES)			707,250		222,559
Long Term Liabilities					
Bank Loan due within 5 years		<u>133,335</u>		<u>333,335</u>	
			(133,335)		(333,335)
NET ASSETS			<u><u>8,113,637</u></u>		<u><u>7,597,238</u></u>
 ENDOWED FUNDS	(14)		4,089		4,125
RESTRICTED FUNDS	(14)		51,521		62,042
UNRESTRICTED FUNDS	(14)		8,058,027		7,531,071
			<u><u>8,113,637</u></u>		<u><u>7,597,238</u></u>

The notes on pages 10 to 16 form an integral part of these financial statements

Approved by the Governors on 15th October 2012
and signed on their behalf by

Mr A J D Hope

Mr C Burnet



Governor

Governor

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST JULY 2012

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the affairs of the company.

(a) Accounting Convention

The financial statements set out on pages 7 to 16 are prepared under the historical cost convention.

(b) Depreciation

Land and buildings

Buildings were acquired without separate valuation from land and are maintained, as a matter of Board policy, by a programme of repair and refurbishment such that the residual value of the buildings is, in the opinion of the Board, in excess of the book value.

No depreciation is provided on land or heritable property since, in the opinion of the Governors, their residual value is high in relation to cost, and their useful life is long. Depreciation on new St Bride's building and the new sports hall is being charged on a straight line basis over 50 years.

Furniture and fittings

In the case of renewals, it is the policy of the Board to charge expenditure to revenue in the year of acquisition; other significant items of expenditure are capitalised and depreciation is provided using the following bases and rates.

Vehicle and equipment	25% on cost
Furniture and fittings	10% on cost
IT equipment/systems	25% on cost
Allweather pitches	20% on cost
St Bride's new Building	2% on cost

Items costing less than £3,000 are written off as an expense as acquired.

(c) Turnover

Turnover has been calculated on an accruals basis and it represents fees invoiced net of allowances.

(d) Stock

Stock is valued at the lower of cost and net realisable value.

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST JULY 2012

	2012	2011
<u>2. FEES RECEIVABLE</u>		
	£	£
Tuition and Boarding Fees	5,051,125	4,933,063
Capital levy	73,752	76,750
	<u>5,124,877</u>	<u>5,009,813</u>
Less: Scholarships, Bursaries and allowances	<u>(408,591)</u>	<u>(438,957)</u>
	<u>4,716,286</u>	<u>4,570,856</u>
<u>3. INTEREST RECEIVABLE</u>		
	£	£
Short term deposits	3,767	3,694
Medium term deposits	6,254	-
	<u>10,021</u>	<u>3,694</u>
<u>4. STAFF COSTS</u>		
	£	£
Wages and salaries	2,588,533	2,642,872
Social security costs	195,747	200,569
Other pension costs	305,760	318,058
	<u>3,090,040</u>	<u>3,161,499</u>

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

	Number	Number
Teachers	51	52
Nursery and Teaching Support staff	15	15
Office staff	8	8
Other	25	23
	<u>99</u>	<u>98</u>
Teachers (Full-time equivalent)	<u>46.5</u>	<u>48.3</u>

The directors received no remuneration or reimbursement of expenses during the year.

The number of employees whose emoluments exceeded £60,000 were:

£60,000 - £70,000	1
£80,000 - £90,000	1

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST JULY 2012

	2012	2011
<u>5. INTEREST PAYABLE</u>		
	£	£
Finance costs includes bank overdraft and loan interest of:	<u>11,999</u>	<u>16,626</u>

6. NET INCOME

This is stated after charging:	£	£
Depreciation	<u>226,762</u>	<u>221,783</u>
Gain on sale of Asset	<u>(1,580)</u>	<u>(1,200)</u>
Auditors remuneration - audit fee	<u>6,700</u>	<u>6,400</u>

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depn £	Total £
Direct Charitable Expenditure				
Teaching	2,526,383	234,898	23,095	2,784,376
Welfare	85,636	190,765	-	276,401
Premises	200,336	431,449	203,667	835,452
Support	277,685	165,622	-	443,307
Awards	-	-	-	-
	<u>3,090,040</u>	<u>1,022,734</u>	<u>226,762</u>	<u>4,339,536</u>
Other Expenditure				
Administration of charity	-	6,700	-	6,700
Finance and other costs	-	11,999	-	11,999
	<u>3,090,040</u>	<u>1,041,433</u>	<u>226,762</u>	<u>4,358,235</u>

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST JULY 2012

8. TANGIBLE FIXED ASSETS

	Heritable Property £	All weather Pitches £	Vehicles £	Fixtures & Fittings £	Total £
<u>COSTS</u>					
As at 1 August 2011	7,370,162	528,368	85,885	1,250,612	9,235,027
Additions	-	-	19,560	41,185	60,745
Disposals	-	-	(32,471)	-	(32,471)
As at 31 July 2012	<u>7,370,162</u>	<u>528,368</u>	<u>72,974</u>	<u>1,291,797</u>	<u>9,263,301</u>
<u>DEPRECIATION</u>					
As at 1 August 2011	806,707	182,306	84,197	1,072,811	2,146,021
Charges	138,046	26,418	6,578	55,720	226,762
Disposals	-	-	(32,471)	-	(32,471)
As at 31 July 2012	<u>944,753</u>	<u>208,724</u>	<u>58,304</u>	<u>1,128,531</u>	<u>2,340,312</u>
<u>NET BOOK AMOUNT</u>					
As at 31 July 2012	<u>6,425,409</u>	<u>319,644</u>	<u>14,670</u>	<u>163,266</u>	<u>6,922,989</u>
As at 1 August 2011	<u>6,563,455</u>	<u>346,062</u>	<u>1,688</u>	<u>177,801</u>	<u>7,089,006</u>

	2012 £	2011 £
9. WORK IN PROGRESS		
Classroom Upgrades	-	18,224

10. INVESTMENTS

	£	£
<u>Contingency Fund</u>		
Balance at 1 August 2011	596,661	531,790
Expenses of sale	-	-
Net Gain / (Loss) on sale	(2,096)	-
Proceeds of sale reinvested in new portfolio	(190,935)	-
Purchase of Government Bonds	189,642	-
Increase in Cash held by broker	1,293	-
Expenses of Purchase	-	-
Cost of Investment	<u>594,565</u>	<u>531,790</u>
Gain on Revaluation	<u>18,079</u>	<u>64,871</u>
Value as at 31st July 2012	<u>612,644</u>	<u>596,661</u>

The market value of the contingency fund at 25th September 2012 was £621,718.

Prizes Fund (endowment fund)

	£	£
Balance at 1 August 2011	4,125	3,779
Additions	-	-
Revaluations	(36)	346
Balance at 31 July 2012	<u>4,089</u>	<u>4,125</u>

11. STOCK

	£	£
Catering	918	957
Goods for resale	<u>2,299</u>	<u>1,738</u>
	<u>3,217</u>	<u>2,695</u>

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST JULY 2012

	2012	2011
12. DEBTORS	£	£
Trade	53,319	68,199
Provision for bad debts	(42,624)	(37,500)
Other	57,009	33,987
Prepaid charges	0	0
	<u>67,704</u>	<u>64,686</u>

13. CREDITORS	£	£
Amounts falling due within one year:	£	£
Bank Loan	200,000	200,000
Bank Overdraft	0	0
Creditors and Accruals		
Trade and other	157,631	138,588
Accrued charges	33,547	58,678
Social security, pensions / taxes	104,741	101,554
Total of amounts falling due within one year	<u>495,919</u>	<u>498,820</u>

Long standing utility accruals which were greater than 5 years old have been written back to expense during the year amounting to £25,648 (2011 - £38,287). This decision has been taken with reference to The Prescription and Limitation (Scotland) Act 1973(Chapter 52).

	£	£
Long Term Liability - Bank Loan		
Due within 5 years	<u>133,335</u>	<u>333,335</u>

A standby bank overdraft facility of £200,000 has been agreed with the Royal Bank of Scotland and is secured with a bond and floating charge. The bank loan relates to the building of the Lomond School Sports Hall which was completed in August 2009. The loan (£800,000) is being repaid over 48 monthly instalments. At the 31st of July 2012 the total number of instalments which remain to be paid is 20. The loan is also secured with a bond and floating charge. Interest is charged at LIBOR plus 2% based upon the outstanding capital sum.

14. CAPITAL AND RESERVES

Unrestricted Funds	£	£
General Fund		
Balance at 1 August 2011	6,934,411	6,582,744
Surplus / (deficit) for year	510,973	351,667
Transfer to Contingency Funds	0	0
Transfer from Restricted Funds		
Balance at 31 July 2012	<u>7,445,384</u>	<u>6,934,411</u>
Contingency Fund		
Balance at 1 August 2011	596,661	531,790
Transfer from General Fund	0	0
Revaluation/ Net gain on Realisation	15,983	64,871
Balance at 31 July 2012	<u>612,644</u>	<u>596,661</u>
Total Unrestricted Fund	<u>8,058,027</u>	<u>7,531,071</u>
Restricted Funds	<u>51,521</u>	<u>62,042</u>
Endowed Funds	<u>4,089</u>	<u>4,125</u>

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST JULY 2012

15 (a). UNRESTRICTED FUNDS

	Balance at 1.08.2011	Surplus for year	Transfers	Revaluation	Balance at 31.07.2012 after transfers
	£	£	£	£	£
Fixed Asset Fund	7,107,228	-	(184,239)		6,922,989
Capital Levy Fund	-	76,750	(76,750)	-	-
Contingency Fund	596,660	0	0	15,983	612,643
General Fund	(172,817)	434,223	260,989	-	522,395
	<u>7,531,071</u>	<u>510,973</u>	<u>-</u>	<u>15,983</u>	<u>8,058,027</u>

15 (b). RESTRICTED FUNDS

	Balance 1.08.2011	Income	Expended	Transfers	Balance 31.07.2012
	£	£	£	£	£
Special Purposes Donations	62,042	12,004	(22,525)	-	51,521
Music Fund Scholarship	-	15,000	(15,000)	-	-
Prize fund Income	-	-	-	-	-
	<u>62,042</u>	<u>27,004</u>	<u>(37,525)</u>	<u>-</u>	<u>51,521</u>

15 (c). ENDOWMENT FUNDS

The Endowment Funds are made up entirely of the Prize Fund which is invested in M&G Charifund Units. The income from these units is used to purchase school prizes.

16. CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted	<u>-</u>	<u>16,000</u>
Authorised but not yet contracted	<u>-</u>	<u>-</u>

The contracted capital commitment relates to the upgrade of a biology laboratory.

LOMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17. PENSION

	2012	2011
	£	£
Pension premiums paid by company as employer's contribution:		
Teaching staff	279,780	290,312
Non teaching staff	<u>25,980</u>	<u>27,746</u>

The school participates in, and the teaching staff are members of, the Scottish Executive Education Department Superannuation Scheme. The scheme is notionally funded and provides some members with defined benefits based on final pensionable salary. The employers' contributions are assessed every five years by the independent government actuary. Staff contribute 7.2% of salary and the participating employers' contribution is 14.9%. The charge included in the accounts is shown above.

The Scottish Pensions Agency (Teacher's Section) is available to staff of more than one employer and it is not possible to identify each institutions share of underlying assets and liabilities of the scheme. In the circumstances, FRS17 provides for contributions to the scheme to be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the school's Income and Expenditure Account will be equal to the contribution payable to the scheme for the year.

18. RELATED PARTY TRANSACTIONS/ GOVERNANCE

The charity has no related parties. The affairs of the school continue to be managed by the Governing Body under the terms of Article number 32.

19. CASHFLOW STATEMENT

	2012	2011
	£	£
Net incoming resources	516,399	401,487
Depreciation charges	226,762	221,783
(Increase)/decrease in stock	(524)	665
(Increase)/decrease in debtors	(3,018)	10,272
Increase/(decrease) in creditors	(2,901)	(118,099)
Endowed funds additions/revaluation	36	(346)
Loan Facility	<u>(200,000)</u>	<u>(200,000)</u>
Net cash inflow/(outflow) from operations	536,754	315,762
Contingency Fund Investment	0	0
Contingency Fund revaluation	(15,983)	(64,871)
Capital expenditure	<u>(42,521)</u>	<u>(24,800)</u>
Increase/(decrease) in cash resources	<u>478,250</u>	<u>226,091</u>