

**REPORT OF THE GOVERNORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007  
FOR  
BRYANSTON SCHOOL INCORPORATED**

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**BRYANSTON SCHOOL INCORPORATED**

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for the year ended 31 August 2007**

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**BRYANSTON SCHOOL INCORPORATED**

**COMPANY INFORMATION**  
**for the year ended 31 August 2007**

<b>GOVERNORS:</b>	The Rt Hon The Lord Phillips (Chairman) +S F Bowes *Ms S A Buxton, MA, ACA JAT Conran, DCL, DLit (appointed 3 March 2007) The Right Reverend S D Conway, MA, BA (appointed 3 March 2007) R H Cox, BA +M L M Davies, MA, BA *+Mrs S Foulser, BA *G E T Granter, MA *J R Greenhill, MA Mrs B H M Hollond, MA, RSA B Irvani, MA, FCA P L Kosminsky, MA, FRSA, FRTS *M Laurence, Mrs V M McDonough, MA *R A Pegna, MA Dr H M Pharaoh, MBBS, DRCOG A R Poulton, BA (appointed 3 March 2007) D R W Potter, MA (retired 23 June 2007) Dr M L Reynolds, BA, PhD Professor J F Smyth, MA, MD, MSc, FRCPE, FRCP +P G E Walker, FRICS (appointed 3 March 2007) *+M A Wingate-Saul, MA  *Members of the Finance and General Purposes Committee +Members of the Capital Projects Committee
<b>BURSAR AND SECRETARY TO THE GOVERNORS:</b>	P G Speakman, BA
<b>HEAD:</b>	Ms S J Thomas, BA, PGCE
<b>REGISTERED OFFICE:</b>	Bryanston School Blandford Forum DT11 0PX
<b>REGISTERED NUMBER:</b>	226143 (England and Wales)
<b>REGISTERED CHARITY NUMBER:</b>	306210
<b>AUDITORS:</b>	Fawcetts Chartered Accountants and Registered Auditors Windover House St Ann Street Salisbury SP1 2DR

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**BRYANSTON SCHOOL INCORPORATED**

**COMPANY INFORMATION**  
**for the year ended 31 August 2007**

Continued from page 1

**BANKERS:**

HSBC Bank plc  
17 Market Place  
Blandford Forum  
DT11 7AG

**SOLICITORS:**

Parker Bullen  
45 Castle Street  
Salisbury  
SP1 3SS

and

Farrer and Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

**INSURANCE BROKERS:**

HSBC Insurance Brokers Limited  
Rockwood House  
9-17 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3DU

## BRYANSTON SCHOOL INCORPORATED

### REPORT OF THE GOVERNORS for the year ended 31 August 2007

The Governors present their report with the financial statements of the company for the year ended 31 August 2007 under the Charities Act 1993, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act and the Charities SORP 2005

#### REFERENCE AND ADMINISTRATIVE INFORMATION

##### **Governors**

The governors of the company in office at 31 August 2007 were as shown on page 1. The governors are the members of the company.

Under Article 55 the following Governors retire by rotation at the Annual General Meeting

Ms S A Buxton, MA, ACA  
R H Cox, BA  
Mrs S Foulser, BA  
G E T Granter, MA  
J R Greenhill, MA  
B Irvani, MA, FCA  
M Laurence

##### **Governing Document**

The School was founded in 1927, and is governed by its Memorandum and Articles of Association, last varied by Special Resolution on 12 March 2005

##### **Recruitment and Training of Governors**

The Governors' Nomination Committee considers the strength and balance of expertise within the Governing Body and makes recommendations from time to time to Council, most obviously at the Annual General Meeting, as to the recruitment of new Trustees

As has been practice in recent years, new Governors are invited to spend a day at School, to meet staff and explore current issues. From time to time, the Governors meet as a Think Tank with the teaching staff to develop future strategy.

The School has been represented at meetings of the Association of Governing Bodies of Independent Schools

##### **Organisational management**

The Council of Management, Lord Phillips in the Chair, meets three times a year, at Bryanston. A number of sub-committees support the work of the Council. The senior sub-committee is the Finance and General Purposes sub-committee, under the Chairmanship of Robin Pegna, which meets each term, some three to four weeks ahead of the Council meeting. The other principal sub-committees are the Capital Projects Committee, chaired by Susan Foulser, the Salaries Committee, chaired by Michael Wingate-Saul and the Education Forum, chaired by Peggy Reynolds, each of which meet two to three times a year.

The day to day running of the School is devolved to the Head, supported by the Bursar and the Senior Management Team.

##### **Group structure and relationships**

The School has a trading subsidiary company, shares in which are held by the School, whose activities and trading performance are dealt with below.

##### **Risk management**

Risks are identified, assessed and controls established throughout the year by the School's Management Team, and a formal review is presented to the Finance and General Purposes Committee in February each year. The Council are satisfied that the major risks to which the charity is exposed are reviewed at least annually and systems have been established to mitigate these risks.

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## BRYANSTON SCHOOL INCORPORATED

### REPORT OF THE GOVERNORS for the year ended 31 August 2007

Continued from page 3

#### OBJECTS AND AIMS

##### Charitable objects

The Charity's object, as set out in the Memorandum, "is to advance the education of boys and girls by the provision of a day and boarding school in or near Blandford Forum, Dorset"

##### Aims and intended impact

The School provides boarding and day education to children between the ages of 13 and 19, it runs some holiday educational courses and a number of community based activities. The School's policy is to attain the highest academic standards as well as providing an extra-curricular programme which aims to develop life-long leisure interests and helps build self confidence and a desire to contribute to the community.

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

While there were slightly fewer pupils, at an average of 648, at the School in 2006/7 than had attended the year before (652), it was a very successful year in which much was achieved.

We were very pleased with the outcome of the Independent Schools Inspection, which took place in the early spring of 2007. The Inspectors, who visited Bryanston between February 5th and 8th, examined samples of pupils' work, observed lessons and conducted formal interviews with pupils. They held discussions with teaching and non-teaching staff and with governors, observed a sample of the extracurricular activities that occurred during the inspection period and visited boarding houses. They also analysed a range of documentation provided by the School and the responses by pupils and parents to pre-inspection questionnaires.

Their conclusion began with the sentences

*Bryanston is a strong community with care for the individual at its heart. A profound sense of trust pervades the school. The school succeeds in its aim of providing a broad educational experience while developing pupils' individual talents. The very committed and hardworking staff contribute significantly to this.*

Included the following

*Relationships are excellent,  
Staff provide an outstanding level of pastoral care,  
Parents are very satisfied with the education, support and information provided by the school,  
The quality of boarding education is outstanding,  
The school is well governed and the senior management provides clear educational direction and leadership to ensure that the school's aims are met.*

And made the recommendation that

*Good practice in teaching and learning is shared more widely throughout the school.*

88.5% of our A' level entries in 2007 achieved A, B or C grades, which was just short of the 89.7% achieved last year. However, the 'value added' was better this year than that managed in 2006. The 97.7% GCSE passes at A\*, A, B and C were the best since 2004.

On time, and within 3% of the budget figure, the Sanger Centre for Science and Mathematics was ready for use at the start of the summer term of 2007. In total, there are 15 laboratories, each a generous 100 sq m, and all having a teaching and experimental area, 6 maths classrooms, 3 large assignment spaces and a 150-seat lecture theatre. Its landscaped grounds, set by a pond and an island geodesic greenhouse, are a particular feature. The mathematicians were the first department to make use of this superb new facility, closely followed by the other three departments, in a phased occupation.

The opening of the Sanger Centre has enabled a number of moves to be made by other academic departments. The Modern Languages department are now in the Plateau classrooms, which had temporarily been occupied by the physicists. Soon to follow will be the move of the English department into what was the Modern Languages wing and the conversion of the Creative Centre to its intended use as an Art/Dance and cookery centre.

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## BRYANSTON SCHOOL INCORPORATED

### REPORT OF THE GOVERNORS for the year ended 31 August 2007

Continued from page 4

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

As the ISI Report noted, though, the School's aim of promoting equally its pupils' involvement in activities and academic studies is reflected *'by a wealth of high quality extra-curricular activities'* The ECA programme, with 88 different activities on offer, was described as *'rich and flexible'* Current Affairs remains a jewel in the Bryanston Sixth Form crown Two BBC correspondents, Martin Sixsmith and George Alagiah, and Old Bryanstonian Ben Fogle, were amongst the speakers who visited Bryanston over the last twelve months This year, forty-one pupils from our A3 year formed five Young Enterprise companies, one of which contained three Blandford School girls - a useful bridge-building experience for them all A record number of 67 participants were successful in gaining their Duke of Edinburgh Bronze Awards Another - largest ever - group of 51 have started their Gold Awards

As ever, there have been a number of sporting highlights over the year The Girls 1st hockey team were crowned County Champions, as were the Boys U16 hockey team and the Girls 1st netball team Twelve members of the Bryanston family, including two governors, competed in the Endeavour Canoe Challenge - a sixty mile relay - and by so doing raised further monies for this charity

Indeed, and as always, the School's efforts for charities worldwide were an important element of the year's activities With Gift Aid, over £20,000 has been raised in the last year for Child Welfare in Nepal The Head Boy and Head Girl organised a weekend of activities which raised over £5,000 for the Karen people in Burma Closer to home, some £600 was raised to support The Great Ormond Street Hospital in a Jeans for Genes Day

The Pioneering programme continues to encourage pupils to work in and for the local community A number of pupils work in local primary schools, and the regular meetings of the Tuesday Club have pupils entertaining the 'older' members from the locality We continue to work with disabled children in the swimming pool, the Sports Hall and in the Riding School A significant development this last year was the introduction of 'A Summer of Sport at Bryanston' which saw the sports facilities on the site opened up to local children

The School's procedures were tested on two occasions in the year In early February there was an outbreak of norovirus which led to all the pupils being sent home three days early for the half term holiday, thereby creating chance for a thorough clean down throughout the School In April a visit by the local District Council's Environmental Health Officer led to a number of improvements being made within the Catering Department The School's Management took each of these incidents very seriously, and new procedures have been established as a result

#### FINANCIAL REVIEW

##### Summary

The results for the year and financial position of the company are shown in the annexed financial statements The Governors consider that the result for the year was satisfactory and are confident that the financial position of the company will remain strong in the future The retained surplus transferred to reserves will be £1,002,149

Total incoming resources were up by 4.8% on last year and resources expended by 7.9% causing the net surplus to fall from £1,349,456 (10.3% of fee income) to £1,002,149 (7.2% of fee income)

##### Reserves

The School does not carry free funds The governors' policy is to invest in capital assets to keep the School at the forefront of the independent school sector This is partly financed by current borrowing, which is the most cost-effective method of funding fixed assets consistent with the School's cash flow profile

##### Investment powers

The Governors are empowered to invest the monies of the School not immediately required for its purposes, in or upon such investments, securities or property as may be thought fit but so that monies subject to or representing property subject to the jurisdiction of the Charity Commissioners shall only be invested in such securities and with such sanction (if any) as may for the time being be prescribed by law

##### Asset cover for funds

Note 19 to the accounts sets out an analysis of the assets attributable to the School's funds These assets are sufficient to meet the School's obligations on a fund by fund basis

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**BRYANSTON SCHOOL INCORPORATED**

**REPORT OF THE GOVERNORS  
for the year ended 31 August 2007**

Continued from page 5

**EMPLOYMENT ISSUES**

**Employees**

Arrangements exist to keep all employees informed on matters of concern to them and information on the School's performance and prospects is disseminated widely

**Employment of people with disabilities**

It is the School's policy that people with disabilities should have the same consideration as others with respect to recruitment, retention and personal development. Depending on their skills and abilities, they enjoy the same career prospects as other employees and the same scope for realising potential

**PLANS FOR THE FUTURE**

Continued efforts have been put into a sustained Development Campaign, both to support initiatives within the School and to fund bursaries and scholarships. The building of a new Music School is planned, architects have been engaged to work up this scheme. Work will continue on the refurbishment of the boarding accommodation, and has started in Allan House in the summer of 2007. The next 10-year plan of development is being formulated

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

Law applicable to incorporated charities in England and Wales requires the governors (who are also directors of the company and trustees of the charity) 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 group and its financial activities for that period. In preparing those financial statements, the governors 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 and the group will continue in operation

The governors 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the governors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each governor has taken all the steps that he or she ought to have taken as a governor in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Fawcetts, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

**ON BEHALF OF THE COUNCIL OF GOVERNORS:**



P G Speakman - Secretary

Dated *Nov 17 2007*



**BRYANSTON SCHOOL INCORPORATED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BRYANSTON SCHOOL INCORPORATED**

We have audited the financial statements of Bryanston School Incorporated for the year ended 31 August 2007 which comprise the Consolidated Statement of Financial Activities, the Charity and Consolidated Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

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 auditors' 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 governors and auditors**

The governors' (who are also the directors of Bryanston School Incorporated for the purposes of company law and trustees of the charity) responsibilities for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' Responsibilities on page 6. 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Governors is not consistent with the financial statements, if the charity 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Report of the Governors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**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 governors 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 August 2007 and of the group's 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 the Companies Act 1985, and
- the information given in the Report of the Governors is consistent with the financial statements.

*Fawcetts*  
Fawcetts  
Chartered Accountants  
and Registered Auditors  
Windover House  
St Ann Street  
Salisbury  
SP1 2DR

Dated *27 November 2007*

**BRYANSTON SCHOOL INCORPORATED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 August 2007

	Notes	Unrestricted £	Restricted £	Total £	2006 £
<b>INCOMING RESOURCES</b>					
<b>Income from charitable activities</b>					
Fees receivable	2	13,860,355	-	13,860,355	13,150,597
Other income	5	764,647	-	764,647	618,804
<b>Income from generated funds</b>					
Donations	18	-	137,834	137,834	228,346
<b>Activities for generating funds</b>					
Trading income	3	970,500	-	970,500	971,291
Rent receivable		15,837	-	15,837	27,004
Investment income	4	70,346	-	70,346	101,543
<b>Total incoming resources</b>		<u>15,681,685</u>	<u>137,834</u>	<u>15,819,519</u>	<u>15,097,585</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Activities:</b>					
School operating costs		13,802,100	57,117	13,859,217	12,934,144
<b>Governance costs</b>		12,281	-	12,281	12,203
<b>Costs of generating funds:</b>					
Trading expenses		717,662	-	717,662	681,361
Finance and other costs		199,574	-	199,574	74,309
		<u>917,236</u>	<u>-</u>	<u>917,236</u>	<u>755,670</u>
<b>Total resources expended</b>	8	<u>14,731,617</u>	<u>57,117</u>	<u>14,788,734</u>	<u>13,702,017</u>
<b>NET INCOMING RESOURCES</b>		950,068	80,717	1,030,785	1,395,568
Realised investment losses		<u>(417)</u>	<u>-</u>	<u>(417)</u>	<u>(3,679)</u>
<b>NET INCOME FOR THE YEAR</b>		949,651	80,717	1,030,368	1,391,889
Unrealised investment losses	10	<u>(28,219)</u>	<u>-</u>	<u>(28,219)</u>	<u>(42,433)</u>
<b>NET MOVEMENT IN FUNDS</b>		921,432	80,717	1,002,149	1,349,456
Fund balances brought forward at 1 September 2006		<u>15,241,542</u>	<u>384,552</u>	<u>15,626,094</u>	<u>14,276,638</u>
<b>FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2007</b>		<u>16,162,974</u>	<u>465,269</u>	<u>16,628,243</u>	<u>15,626,094</u>

The financial activities set out above are those of the company other than the trading income of £970,500 and trading expenditure of £717,662 producing a surplus of £252,838

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current and previous years

The notes form part of these financial statements

**BRYANSTON SCHOOL INCORPORATED**

**BALANCE SHEETS  
31 August 2007**

		Consolidated		School	
	Notes	2007 £	2006 £	2007 £	2006 £
<b>FIXED ASSETS:</b>					
Tangible assets	9	22,920,716	20,138,300	22,854,587	20,070,598
Investments	10	<u>971,591</u>	<u>1,272,787</u>	<u>971,591</u>	<u>1,272,787</u>
		<u>23,892,307</u>	<u>21,411,087</u>	<u>23,826,178</u>	<u>21,343,385</u>
<b>CURRENT ASSETS:</b>					
Stocks	11	200,308	196,728	38,043	37,679
Debtors	12	937,902	741,877	920,842	850,606
Cash at bank and in hand		<u>3,582</u>	<u>5,230</u>	<u>3,382</u>	<u>5,130</u>
		<u>1,141,792</u>	<u>943,835</u>	<u>962,267</u>	<u>893,415</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(6,685,618)</u>	<u>(5,349,548)</u>	<u>(6,439,964)</u>	<u>(5,231,426)</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(5,543,826)</u>	<u>(4,405,713)</u>	<u>(5,477,697)</u>	<u>(4,338,011)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		<u>18,348,481</u>	<u>17,005,374</u>	<u>18,348,481</u>	<u>17,005,374</u>
<b>CREDITORS: Due after more than one year</b>					
Advance fees	14	<u>(1,720,238)</u>	<u>(1,379,280)</u>	<u>(1,720,238)</u>	<u>(1,379,280)</u>
		<u>£16,628,243</u>	<u>£15,626,094</u>	<u>£16,628,243</u>	<u>£15,626,094</u>
<b>RESERVES:</b>					
Restricted funds	18	465,269	384,552	465,269	384,552
Unrestricted funds	19	<u>16,162,974</u>	<u>15,241,542</u>	<u>16,162,974</u>	<u>15,241,542</u>
		<u>£16,628,243</u>	<u>£15,626,094</u>	<u>£16,628,243</u>	<u>£15,626,094</u>

**ON BEHALF OF THE COUNCIL OF GOVERNORS:**



The Rt Hon The Lord Phillips - Chairman

Approved by the Council of Governors on

*November 17 2007*

The notes form part of these financial statements

**BRYANSTON SCHOOL INCORPORATED**

**CASH FLOW STATEMENT  
for the year ended 31 August 2007**

		2007		2006	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	23		2,734,705		3,068,136
<b>Returns on investments and servicing of finance</b>	24		(120,978)		33,984
<b>Capital expenditure</b>	24		(3,796,376)		(3,594,332)
			<u>                    </u>		<u>                    </u>
<b>Decrease in cash in the period</b>			<u>(1,182,349)</u>		<u>(492,212)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	25				
<b>Decrease in cash in the period</b>			(1,182,349)		(492,212)
Cash outflow from decrease in debt and lease financing			-		-
			<u>                    </u>		<u>                    </u>
Change in net debt resulting from cash flows			(1,182,349)		(492,212)
<b>Movement in net debt in the period</b>			(1,182,349)		(492,212)
<b>Net debt at 1 September 2006</b>			(1,183,372)		(691,160)
<b>Net debt at 31 August 2007</b>			<u>(2,365,721)</u>		<u>(1,183,372)</u>

The notes form part of these financial statements

## BRYANSTON SCHOOL INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2007

#### 1 ACCOUNTING POLICIES

##### **Accounting convention**

The accounts of the School are prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities Charities SORP 2005 and with applicable accounting standards. The financial statements are drawn up on the historical accounting basis except that investment assets are carried at market value.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the School and its subsidiary undertaking. A separate statement of financial activities for the School itself is not presented because the School has taken advantage of the exemptions afforded by paragraph 397 of the Charities SORP 2005.

##### **Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the School, but include contributions received from Bursaries and other trusts.

##### **Donations and fund accounting**

Donations received for the general purposes of the School are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors.

##### **Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the statement of financial activities. The irrecoverable element of VAT is included with the item of expense to which it relates.

##### **Investments and investment income**

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for on an accruals basis.

##### **Tangible fixed assets**

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Land is not depreciated. Buildings are depreciated at rates between 1% and 4% per annum on cost or over the remaining useful life if shorter. Plant, furniture and other equipment is depreciated at rates between 4% and 33% per annum on cost.

##### **Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Operating leases**

Rentals paid under operating leases are charged on a time basis over the lease term.

##### **Pensions**

The School contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The School also operates a group personal pension scheme for non-teaching staff.

**BRYANSTON SCHOOL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2007**

**1 ACCOUNTING POLICIES (Continued)**

**Advance fees scheme**

The School offers parents the opportunity to pay for up to five years tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the School whereupon the prepaid amount for each term is charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from School fee income and any excess accrued is treated as additional School income.

**2 INCOME**

	2007 £	2006 £
Fees receivable consist of		
Gross fees	15,194,516	14,418,474
Less Total bursaries, grants and allowances	<u>1,417,900</u>	<u>1,349,051</u>
	13,776,616	13,069,423
Add back Scholarships, grants etc paid for by Trust Funds	<u>83,739</u>	<u>81,174</u>
	<u><u>13,860,355</u></u>	<u><u>13,150,597</u></u>

**3 TRADING INCOME**

The commercial activities at the School are carried out by a separate company, Bryanston Conference Centre Limited, a company registered in England. The School owns all the shares in the company and its annual profit is paid to the School by deed of covenant. Its trading results, extracted from its audited accounts were

	2007 £	2006 £
Turnover	970,500	971,291
Cost of sales	<u>458,089</u>	<u>436,237</u>
Gross profit	512,411	535,054
Administrative expenses	<u>244,804</u>	<u>234,907</u>
Operating profit	267,607	300,147
Interest payable and similar charges	<u>14,769</u>	<u>10,217</u>
Net profit	252,838	289,930
Covenant - gross	<u>252,838</u>	<u>289,930</u>
Retained profit	<u>-</u>	<u>-</u>
Extract from Balance Sheet as at 31 August 2007		
Fixed assets	66,129	67,702
Net current liabilities	<u>(66,127)</u>	<u>(67,700)</u>
Net assets	<u><u>2</u></u>	<u><u>2</u></u>

**4 INVESTMENT INCOME**

	2007 £	2006 £
Bank deposit interest	2,931	14,479
Investment income	52,646	76,847
Interest on amount due from Bryanston Conference Centre Limited	<u>14,769</u>	<u>10,217</u>
	<u><u>70,346</u></u>	<u><u>101,543</u></u>

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<b>5</b>	<b>OTHER INCOME</b>		
		2007	2006
		£	£
	Summer courses	115,065	58,900
	Registration and other fees	72,725	40,530
	Day pupils accommodated	31,141	24,016
	Miscellaneous income	34,339	33,853
	Special tuition	314,017	307,576
	Equestrian income	124,301	85,938
	Catering income	<u>73,059</u>	<u>67,991</u>
		<u>764,647</u>	<u>618,804</u>

<b>6</b>	<b>STAFF COSTS</b>		
		2007	2006
		£	£
	Wages and salaries	7,936,249	7,533,453
	Social security costs	662,970	626,547
	Other pension costs	<u>669,024</u>	<u>602,434</u>
		<u>9,268,243</u>	<u>8,762,434</u>

The average number of employees during the year, calculated on a full time equivalent basis, was as follows

	2007	2006
	No	No
Teaching staff	157	154
Other employees	<u>165</u>	<u>163</u>
	<u>322</u>	<u>317</u>

	2007	2006
	£	£
Governors' expenses reimbursed	<u>1,017</u>	<u>2,820</u>
Numbers of governors receiving expenses	<u>6</u>	<u>9</u>

This represents the reimbursement of travel and accommodation expenses

With the exception of the above, neither the governors nor persons connected with them received any remuneration or other material benefits from the School or any connected organisation

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

	2007	2006
	No	No
£60,001 - £70,000	2	3
£70,001 - £80,000	2	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	-

The number with retirement benefits accruing in

- Money Purchase schemes was	3	2
for which the contributions amounted to	£46,420	£15,300
- Defined benefit schemes was	3	3

**BRYANSTON SCHOOL INCORPORATED**

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**7 EXPENDITURE**

Expenditure includes

	2007	2006
	£	£
Auditor's remuneration - audit services	14,698	14,786
Depreciation - owned assets	957,807	898,205
Profit on disposal of tangible fixed assets	(5,832)	-
Operating lease rentals		
Plant and machinery	2,996	2,996
Land and buildings	22,333	16,750
Exceptional item	<u>-</u>	<u>76,050</u>

**Exceptional item**

During the previous year the exceptional item related to the outcome of an enquiry by the Office of Fair Trading ("OFT") into the exchange of cost and fee information between independent schools. The OFT approached a number of schools, including Bryanston, during the course of its enquiry. The School co-operated fully and openly with the enquiry. The OFT found that the exchange of information was in breach of competition law. Each school involved agreed to pay a nominal penalty of £10,000 together with a share of an ex gratia contribution to a charitable educational fund to benefit the pupils who attended the schools during the relevant academic years. Bryanston's share of the ex gratia contribution was £66,050.

**8 ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff costs	Other	Depreciation	Total
	£	£	£	£
<b>Charitable activities</b>				
School operating costs				
Teaching costs	5,855,469	784,819	250,269	6,890,557
Welfare	1,877,689	1,216,568	69,625	3,163,882
Premises	774,392	1,518,707	587,046	2,880,145
Management and administration	576,742	299,624	31,275	907,641
Grants, awards and prizes	<u>-</u>	<u>16,992</u>	<u>-</u>	<u>16,992</u>
	9,084,292	3,836,710	938,215	13,859,217
<b>Governance costs</b>	-	12,281	-	12,281
<b>Costs of generating funds:</b>				
Trading costs of the subsidiary	183,951	514,119	19,592	717,662
Finance and other costs	<u>-</u>	<u>199,574</u>	<u>-</u>	<u>199,574</u>
<b>Total for group</b>	<u>9,268,243</u>	<u>4,562,684</u>	<u>957,807</u>	<u>14,788,734</u>



**BRYANSTON SCHOOL INCORPORATED**

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**9 TANGIBLE FIXED ASSETS**

<b>Consolidated</b>	<u>Freehold land and buildings</u>	<u>Plant, furniture and other equipment</u>	<u>Totals</u>
	£	£	£
<b>COST:</b>			
At 1 September 2006	22,061,560	3,077,760	25,139,320
Additions	3,236,423	454,468	3,740,891
Disposals	<u>-</u>	<u>(415,712)</u>	<u>(415,712)</u>
At 31 August 2007	<u>25,347,983</u>	<u>3,116,516</u>	<u>28,464,499</u>
<b>DEPRECIATION:</b>			
At 1 September 2006	2,612,360	2,388,660	5,001,020
Charge for year	563,429	394,378	957,807
Eliminated on disposals	<u>-</u>	<u>(415,044)</u>	<u>(415,044)</u>
At 31 August 2007	<u>3,175,789</u>	<u>2,367,994</u>	<u>5,543,783</u>
<b>NET BOOK VALUE:</b>			
At 31 August 2007	<u>22,172,194</u>	<u>743,522</u>	<u>22,920,716</u>
At 31 August 2006	<u>19,449,200</u>	<u>689,100</u>	<u>20,138,300</u>
<b>School</b>	<u>Freehold land and buildings</u>	<u>Plant, furniture and other equipment</u>	<u>Totals</u>
	£	£	£
<b>COST:</b>			
At 1 September 2006	22,019,661	2,978,034	24,997,695
Additions	3,286,423	436,449	3,722,872
Disposals	<u>-</u>	<u>(409,423)</u>	<u>(409,423)</u>
At 31 August 2007	<u>25,306,084</u>	<u>3,005,060</u>	<u>28,311,144</u>
<b>DEPRECIATION:</b>			
At 1 September 2006	2,600,628	2,326,469	4,927,097
Charge for year	561,753	376,462	938,215
Eliminated on disposals	<u>-</u>	<u>(408,755)</u>	<u>(408,755)</u>
At 31 August 2007	<u>3,162,381</u>	<u>2,294,176</u>	<u>5,456,557</u>
<b>NET BOOK VALUE:</b>			
At 31 August 2007	<u>22,143,703</u>	<u>710,884</u>	<u>22,854,587</u>
At 31 August 2006	<u>19,419,033</u>	<u>651,565</u>	<u>20,070,598</u>

**BRYANSTON SCHOOL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**10 INVESTMENTS**

	2007	2006
	£	£
Balance as at 1 September 2006	1,201,757	1,581,739
Additions	63,657	-
Disposals at opening market value	(304,924)	(337,549)
Revaluations	<u>(28,219)</u>	<u>(42,433)</u>
Government, UK and European fixed interest stock (historic cost £995,304)	932,271	1,201,757
Accrued interest	34,142	48,622
Cash deposits	<u>5,178</u>	<u>22,408</u>
Balance at 31 August 2007	<u><u>971,591</u></u>	<u><u>1,272,787</u></u>

**11 STOCKS**

	<u>Consolidated</u>		<u>School</u>	
	2007	2006	2007	2006
	£	£	£	£
Maintenance, domestic and catering stock	38,043	37,679	38,043	37,679
Stock of goods for resale	<u>162,265</u>	<u>159,049</u>	<u>-</u>	<u>-</u>
	<u><u>200,308</u></u>	<u><u>196,728</u></u>	<u><u>38,043</u></u>	<u><u>37,679</u></u>

**12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>Consolidated</u>		<u>School</u>	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	777,796	656,755	307,413	294,876
Other debtors	136,814	35,784	136,814	35,784
Prepayments	23,292	49,338	23,292	49,338
Amount due from Bryanston Conference Centre Limited	<u>-</u>	<u>-</u>	<u>453,323</u>	<u>470,608</u>
	<u><u>937,902</u></u>	<u><u>741,877</u></u>	<u><u>920,842</u></u>	<u><u>850,606</u></u>

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>Consolidated</u>		<u>School</u>	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts (see note 15)	2,374,481	1,211,010	2,378,925	1,347,205
Trade creditors	1,535,401	1,533,142	1,358,548	1,356,881
Other creditors	419,427	401,515	351,761	328,909
Fees received in advance	1,202,481	1,200,698	1,202,481	1,200,698
PAYE and national insurance	207,720	198,349	207,720	198,349
Accrued expenses	99,349	133,716	93,770	128,266
Advance fees scheme (see note 14)	<u>846,759</u>	<u>671,118</u>	<u>846,759</u>	<u>671,118</u>
	<u><u>6,685,618</u></u>	<u><u>5,349,548</u></u>	<u><u>6,439,964</u></u>	<u><u>5,231,426</u></u>

**BRYANSTON SCHOOL INCORPORATED**

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**14 ADVANCE FEES SCHEME**

Parents may enter into a contract to pay the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one year's notice. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2007 £	2006 £
After 5 years	113,819	130,219
Within 2 to 5 years	995,685	784,608
Within 1 to 2 years	<u>610,734</u>	<u>464,453</u>
	1,720,238	1,379,280
Within 1 year	<u>846,759</u>	<u>671,118</u>
	<u>2,566,997</u>	<u>2,050,398</u>
		£
Balance at 1 September 2006		2,050,398
New contracts		<u>1,362,144</u>
		3,412,542
Amounts utilised in payment of fees To the School		<u>(893,049)</u>
		2,519,493
Discount accrued		<u>47,504</u>
		<u>2,566,997</u>

**15 LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	<u>Consolidated</u>		<u>School</u>	
	2007 £	2006 £	2007 £	2006 £
Amounts falling due within one year or on demand				
Bank overdraft	<u>2,374,481</u>	<u>1,211,010</u>	<u>2,378,925</u>	<u>1,347,205</u>

**16 OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	<u>Consolidated Operating leases</u>		<u>School Operating leases</u>	
	2007 £	2006 £	2007 £	2006 £
Expiring Between one and five years - plant	<u>2,996</u>	<u>2,996</u>	<u>2,996</u>	<u>2,996</u>
Over five years - land and buildings	<u>22,333</u>	<u>16,750</u>	<u>22,333</u>	<u>16,750</u>

**BRYANSTON SCHOOL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17 SECURED DEBTS**

The following secured debts are included within creditors

	Consolidated		School	
	2007 £	2006 £	2007 £	2006 £
Bank loans and overdraft	<u>2,374,481</u>	<u>1,211,010</u>	<u>2,378,925</u>	<u>1,347,205</u>

The bank loans and overdraft are secured by a fixed charge on the company's freehold property

**18 RESTRICTED FUNDS**

	Balance at 1 September 2006 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2007 £
Development Appeal	121,240	53,387	-	-	174,627
Creative Centre	150,000	50,000	-	-	200,000
Science School	46,625	-	39,625	-	7,000
Estates	13,150	-	-	-	13,150
Scholarships	51,882	31,537	16,992	-	66,427
Music	1,165	2,500	-	-	3,665
Teaching	490	410	500	-	400
	<u>384,552</u>	<u>137,834</u>	<u>57,117</u>	<u>-</u>	<u>465,269</u>

The Development Appeal represents donations to be used for the future development of the School

The Creative Centre fund represents donations received to fund the construction of the new Creative Centre building

The Science School fund represents donations received to fund costs relating to the new science school building

The Estates, Scholarships, Bryanston Centre, Music and Teaching restricted funds represent donations to the School where the donor has requested that the funds be used in these areas

**19 ALLOCATION OF THE CHARITY NET ASSETS**

The net assets are held for the various funds as follows

	Fixed assets and investments £	Net current liabilities £	Long term liabilities £	Total £
Unrestricted	23,892,307	(6,009,095)	(1,720,238)	16,162,974
Restricted	-	465,269	-	465,269
	<u>23,892,307</u>	<u>(5,543,826)</u>	<u>(1,720,238)</u>	<u>16,628,243</u>

**BRYANSTON SCHOOL INCORPORATED**

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**19 ALLOCATION OF THE CHARITY NET ASSETS (Continued)**

**UNRESTRICTED FUNDS**

	Balance at 1 September 2006 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2007 £
Income and expenditure account	15,241,542	14,711,185	(14,042,591)	252,838	16,162,974
Trading company assets	-	970,500	(717,662)	(252,838)	-
	<u>15,241,542</u>	<u>15,681,685</u>	<u>(14,760,253)</u>	<u>-</u>	<u>16,162,974</u>

**20. PENSION COMMITMENTS**

The teaching staff have the option to be members of a defined benefit pension scheme operated by the Teachers' Pension Agency. For other employees, the company operates a group personal pension plan.

The total pension cost for the company was £669,034 (2006 £602,434) of which £136,850 (2006 £107,530) relates to the company's group personal pension plan.

There were outstanding contributions at the balance sheet date of £92,070 (2006 £72,888) in respect of contributions due for the month of August paid over to the pension scheme administrators in September.

**Teachers' Superannuation Scheme**

The School participates in a multi employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the scheme"), for the teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to Schools.

The last report by the Government Actuary covered the period 1 April 2001 to 31 March 2004. The valuation statement as at 31 March 2004 made in November 2007 revealed that the total liabilities of the scheme (the estimated cost of past and future service benefits of existing members) amounted to £166,500 million. The scheme assets at 31 March 2004 amounted to £163,240 million.

The actuarial review assumed that the real rate of return on the notional investment is 3.5% in excess of price increases and 2% in excess of general earnings increases, therefore assuming a rate of real earnings growth of 1.5%. The assumed long term gross rate of return is 6.5%.

During the year the contribution rate was 19.5% - 6.0% paid by the teachers and 13.5% borne by the School. On 1 January 2007 the standard contribution rate was increased from 19.5% to 19.75% plus a supplementary contribution of 0.75% making a total contribution rate of 20.5%. 6.4% is paid by the teachers and the remaining 14.1% borne by the School.

During the year the School made contributions of £515,203 (2006 £482,267) to the scheme. The School's contributions represent a minor proportion of the payments into the scheme.

**21. STATUS**

The company is limited by guarantee and does not have a share capital. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member. At the balance sheet date there were 20 members (2006 - 20).

**BRYANSTON SCHOOL INCORPORATED**

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**22 CAPITAL COMMITMENTS**

	2007	2006
	£	£
Contracted for but not provided for in the financial statements	30,615	2,849,039
Authorised but not contracted for	<u>1,075,000</u>	<u>-</u>

**23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS**

	2007	2006
	£	£
Net incoming resources	1,030,785	1,395,568
Depreciation charges	957,807	898,205
Profit on disposal of tangible fixed assets	(5,832)	-
Bank and other interest	(70,346)	(101,543)
Decrease in accrued investment interest	14,480	20,316
Finance and other costs	199,574	67,559
Increase in stocks	(3,580)	(7,117)
Increase in debtors	(196,025)	(83,282)
Increase in creditors	291,243	464,329
Increase in advance fees scheme creditor	<u>516,599</u>	<u>414,101</u>
<b>Net cash inflow from operating activities</b>	<u><b>2,734,705</b></u>	<u><b>3,068,136</b></u>

**24 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2007	2006
	£	£
<b>Returns on investments and servicing of finance</b>		
Bank and other interest	70,346	101,543
Finance and other costs	<u>(191,324)</u>	<u>(67,559)</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(120,978)</u>	<u>33,984</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(4,043,726)	(3,938,121)
Sale of tangible fixed assets	6,500	-
Purchase of investments	(63,657)	-
Sale of investments	<u>304,507</u>	<u>343,789</u>
Net cash outflow for capital expenditure	<u>(3,796,376)</u>	<u>(3,594,332)</u>

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**25 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 9 06 £	Cashflow £	At 31 8 07 £
Net cash			
Cash in hand, at bank	5,230	(1,648)	3,582
Investment bank accounts	22,408	(17,230)	5,178
Overdrafts	<u>(1,211,010)</u>	<u>(1,163,471)</u>	<u>(2,374,481)</u>
<b>Total</b>	<b><u>(1,183,372)</u></b>	<b><u>(1,182,349)</u></b>	<b><u>(2,365,721)</u></b>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	5,230		3,582
Bank overdraft	(1,211,010)		(2,374,481)
Investments	<u>22,408</u>		<u>5,178</u>
	<b><u>(1,183,372)</u></b>		<b><u>(2,365,721)</u></b>