



**THE MALDEN TRUST LIMITED**  
(A Registered Charity and Company Limited by Guarantee)

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> AUGUST 2007**



Meager Wood Locke & Co  
Chartered Accountants  
Registered Auditors

Charity Registered No 307046  
Company Registered No 747222

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## **DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2007**

The Governing Body and Board of Directors present their annual report for the year ended 31<sup>st</sup> August 2007 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Companies Act 1985, the Company's Memorandum and Articles of Association and the Charities SORP 2005

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Malden Trust Ltd is a Charitable Company, registered number 747222, which was incorporated in 1963 and a registered Charity, number 307046. The liability of the Members of the company is limited to £1 each by guarantee. The Company operates a preparatory boarding School, Windlesham House School and trades under the School's name.

#### **REGISTERED OFFICE AND PRINCIPAL ADDRESS**

Windlesham House School  
Washington  
Pulborough  
West Sussex  
RH20 4AY

**WEBSITE** [www.windlesham.com](http://www.windlesham.com)

**COMPANY NUMBER** 747222

**CHARITY NUMBER** 307046

#### **DIRECTORS / GOVERNORS**

The present Directors of the Company, who are also the Charity Trustees and the School Governors, and those ex-Directors who held office during the year are as follows:

N M Hanlon FCA (Chairman) <sup>2 5</sup>  
M A Chilton BSc (Hons) FCA <sup>2 3</sup>  
R G Cranmore MA MICE CEng <sup>1</sup>  
J G Donald BSc FRICS <sup>1 2</sup>  
M R Johnson BEd (Hons)  
Mrs C J Maude BA (Hons) BArch <sup>1 4 5</sup>  
Mrs A L McCrum <sup>3</sup>  
D J Miller MA OBE <sup>2</sup>  
Mrs C L Ricks MA  
Mrs F C Timmus Cert Ed <sup>4</sup>  
Mrs L J Williams BA (Hons) PGCE <sup>3 5</sup>

Notes: <sup>1</sup> Member of Assets Sub-committee  
<sup>2</sup> Member of Finance Sub-Committee  
<sup>3</sup> Member of Marketing Sub-committee  
<sup>4</sup> Member of Little Windlesham Sub-committee  
<sup>5</sup> Member of Succession Panel

**COMPANY SECRETARY** S A Holliday BSc (Hons) ACIB MAPM (resigned 19<sup>th</sup> November 2006)

N P Ryan BA (Hons) PIIA MCIPS AFA (appointed 1<sup>st</sup> January 2007)

**SENIOR MANAGEMENT**

Acting Head	P M Forte MA (Hons) PGCE	(resigned 31 <sup>st</sup> August 2007)
Head	R J Foster BED (Hons)	(appointed 1 <sup>st</sup> September 2007)
Bursar	N P Ryan BA (Hons) PIIA MCIPS AFA	(appointed 1 <sup>st</sup> January 2007)

**PROFESSIONAL ADVISORS**

Auditors	Meager Wood Locke & Co 123 Hagley Road, Edgbaston Birmingham B16 8LD
Bankers	Barclays Bank PLC Hove Branch, South Coast Group of Branches PO Box 165 Crawley RH10 1YX
Insurance Brokers & Actuaries	HSBC Rockwood House 9 – 17 Perrymount Road Haywards Heath RH16 3DU
Lawyers	DMH Stallard 40 High Street Crawley RH10 1BW

**STRUCTURE, GOVERNANCE AND MANAGEMENT****GOVERNING DOCUMENT**

The Company is governed by its Memorandum and Articles of Association, last amended on 22<sup>nd</sup> November 2004

**GOVERNING BODY**

The members of the Governing Body, who are the Directors of the Company for the purposes of Company Law and the Trustees of the Charity for the purposes of Charity Law, are appointed from time to time by the Governing Body from the membership of the Charity. There is no fixed term of office, but one third of the Governing Body, including any new members appointed since the last Annual General Meeting, retires by rotation at each Annual General Meeting and is then eligible to stand for re-election.

**TRUSTEE SUCCESSION AND TRAINING**

Members of the Governing Body are selected on the basis of nominations received from the governors' Succession Panel, which meets from time to time as required to identify suitable candidates in terms of eligibility, personal competence, specialist skills and general availability. New Directors are inducted into the workings of the School through regular visits, and provided with briefing materials produced by AGBIS (the Association of Governing Bodies of Independent Schools) and the Charity Commission. All Directors are encouraged to attend training sessions and seminars run by AGBIS and other associations and advisors on a regular basis.

**ORGANISATIONAL MANAGEMENT**

The Governing Body meets at least three times a year to determine the general policy of the Company and to review its overall management, operations and control, for which they are legally responsible. The work of implementing most of the Governing Body's policies is delegated to the Senior Management of the School and to various sub-Committees of Governors and Staff. These sub-Committees generally meet on a termly basis, usually several weeks before each meeting of the full Governing Body.

The day to day management of the School is delegated to the Head and the Bursar, supported by other teaching members of the Senior Management Team.

**RISK MANAGEMENT**

The Governing Body has a nominated representative, Mr R G Cranmore, who works with the Bursar on an ongoing basis to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time, as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, and report to the Governing body in detail on an annual basis. The major risks identified by this process have been mitigated to an acceptable level by internal control systems, insurance cover and other factors as appropriate.

**OBJECTS, AIMS AND PRINCIPAL ACTIVITIES**

The object of the Company, in accordance with its Memorandum of Association, is to benefit the public by providing children with a first class education independent of the State system. It does so through the operation of Windlesham House School, a preparatory boarding School for boys and girls between the ages of 4 and 13.

**STRATEGIC AIM AND OBJECTIVES**

The Company was formed to take over the operation of Windlesham House School, which was founded in 1837 to prepare children for entry into the country's major independent boarding Schools. As probably the founder preparatory boarding School in the country, the Company's strategy now as then is focused on maintaining and developing the provision of a full boarding education for children between the ages of 8 and 13, although it also seeks to widen public access to its system of Schooling as far as is possible within the constraints of its funding as an independent education-provider.

The Company seeks to achieve this, not only through academic excellence, but also by offering an unparalleled breadth of education through the School's extensive activities programme, together with the highest possible standard of pastoral care – thus maintaining and enhancing the reputation and perception of the School as a supportive, caring and nurturing community.

The long term strategic aim of the Company is to continue Windlesham's unique tradition of developing the full potential of each pupil and their social values and standards, so that they are equipped to make the most of their subsequent education and to become successful and responsible members of society.

The Company's ongoing objectives are to

- meet and wherever possible, exceed the academic and other expectations of parents for their children,
- market the School effectively and thereby to fill available places,
- attract and retain the right numbers of qualified Staff,
- ensure that the curriculum and teaching methods match best practice in public and private sectors,
- generate sufficient cash surplus to fund the future development of the School,
- maintain the fabric of the School and its physical facilities so they fulfil their purpose,
- comply with statutory regulations and contribute positively to the parents' perception of the quality of the School,
- ensure that in fulfilling the above objectives and in all its activities it operates for the benefit of the public.

**OBJECTIVES FOR THE YEAR**

In line with the above long-term strategic aims, the Governing Body's objectives for the year were to

- 1 maintain Windlesham's same high level of academic performance so that all pupils at Common Entrance achieve entry to their School of choice,
- 2 maintain pupil numbers at their 2004-5 level,
- 3 complete the necessary systems and improvements to counter the minor shortcomings identified at the ISI and CSCI inspections in early 2005,
- 4 improve the website and efficiency of the School's marketing,
- 5 continue building mutually supportive links with other Schools in our locality and where possible to encourage greater community access to our facilities outside School hours and
- 6 stage a major charitable fund-raising event ('Elements') for the exclusive benefit of a local children's hospice

**PRINCIPAL ACTIVITY**

The Company's principal and only significant activity continues to be the provision of a preparatory School for boys and girls. Numbers in the main boarding School averaged 247 (2006 258) pupils, of whom 231 (2006 246) were boarders. In Little Windlesham, the pre-preparatory day School, numbers averaged 33 (2006 28) pupils, reversing the previous years' trend of falling numbers, following the change in the School's policy to accepting a limited number of day pupils in the main School from 2007.

Whilst keeping the demand for boarding places under review, the Governing Body nevertheless remain committed to the principle of boarding education and to ensuring that the ethos of Windlesham as a special boarding community remains unaffected.

**GRANT MAKING**

The Trust is not a grant making body. However, the School seeks to expand its educational provision wherever possible through the award of a limited number of scholarships and bursaries, mainly funded out of general funds. The policy of the Governing Body, in line with that of other independent Schools, is to make scholarship awards on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is made out of restricted funds. The School also makes bursaries and allowances available to relieve hardship where the pupil's education and future prospects would otherwise be at risk and also provides assistance, to the extent possible given limited funds, with fees for gifted new pupils when the standard level of fees are a barrier to entry.

This year the value of awards made to pupils of the School totalled £75,609, almost double that of the previous year. In accordance with best practice, all awards are means-tested.

**VOLUNTEERS**

The Friends of Little Windlesham helped with fundraising activities for the pre-preparatory department over the course of the year and the Governing Body would like to take this opportunity to thank them for their continuing and valuable support for its work.

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE

### OPERATIONAL PERFORMANCE

The year 2006 – 2007 was very successful academically with all children being accepted by the senior school of their choice and nineteen awards were gained by 16 different children (3 gained two awards). Scholarship results are very pleasing but we take equal pride in the progress and achievements of our weaker pupils and the support they receive, our assessment of the pupils' strengths and weaknesses continues to develop. We continue to extend our activities programme, our Outdoor Education activities and we are extending the number of overseas trips with groups travelling to Ethiopia, to France for skiing, to Rome and to Iceland.

On the sports field, 2006 was an all round successful year. The strength of chess continues to grow. Several of our children have been recognised as having enormous potential and three children have been put forward for England trials.

In Music we had 66 successes in the Associated Board music exams (a pass rate of 100% and including 22 merits and 10 distinctions). There were also 4 theory exams, again with a 100% pass rate (and including 1 merit and 1 distinction). The Music Department continued to promote music throughout the School and the local community performing concerts and services in a number of local venues. There were performances of 12<sup>th</sup> Night, Smoke and Blood Brothers in the School's theatre and all children were involved in performances on Open Day. The highlight of the year was the giant 'elements' show which once again ensured that every child in the School had the opportunity to perform in public on at least three occasions throughout the year and many children performed over 10 times during the course of the three terms. There are currently 285 instrumental lessons being taught each week.

The Director of Marketing, appointed in 2006, has made significant progress in developing and promoting the School's image in the local community and is spearheading the development of the School's new website. The decision taken in 2005 to have one member of Staff given specific responsibility for community liaison has been very successful and has developed further our links with local charities and maintained Schools.

Through events such as Christmas Fairs and sponsored walks, the School raises funds for charities including Chestnut Tree House and Cecily's Fund. However, the main fundraising event, 'elements', was held at the School on 16<sup>th</sup> June and through a spectacular staging of music and singing by our children together with children from local schools, plus lasers, fireworks and displays with the assistance of the Royal Air Force's Red Arrows & Falcon Parachute Team, some £35,000 was raised for the Chestnut Tree House. This event was only made possible by the cooperation, active participation and hard work of so many local bodies and is a tribute to such community spirit.

The School's facilities are increasingly utilised by local organisations to hold sporting and social events, ranging from junior football for a local club, swimming galas, hosting county chess events to use of our observatory by a local astrology group and our magnificent organ by a local organ appreciation society. The School's minibuses are now being used by local groups such as the scouts and a local school.

The School has continued to pursue a policy of providing boarding places to children in need through its support of the Joint Educational Trust, although the take up of assisted places remains below that available because of the J E T's inability to identify suitable recipients.

One of the major reasons for the School's success continues to be the quality and commitment of its Staff. The Governing Body continue to ensure that Windlesham has the resources, funds and facilities to attract and retain Staff who are willing to commit themselves to the busy and demanding task of working at a boarding prep School. As in previous years, there has been some Staff turnover and at the end of the academic year the Acting Head, Paul Forte, left to take up a Headship appointment elsewhere. The Governing Body wishes to record its deep gratitude to Mr Forte for his exemplary leadership and service to the School, but is delighted that following the appointment process planned and undertaken in early 2006, Richard Foster, Head of St Anselm's School in Bakewell, joined the School as Head in September 2007.

### FUNDRAISING

There were no fundraising activities during the year. The School has planning consent for the development of an Extra Curricular Centre, comprising a sports hall and dining room to be built either side of the existing theatre, but fundraising has not yet commenced for this project.

## FINANCIAL REVIEW

### OPERATING RESULTS

The net outgoing resources for the year amounted to £34,042. Although the deficit was at variance with our long-term targeted percentage of income, this came after expenditure of some £55,000 on major redecorations to the School coupled with a reduction a fall in pupil numbers. Total income for the year increased by just over 3.3%, as a result of a 4.8% increase in published fees and useful increases in additional fees and income from other charitable activities, including lettings and pupil disbursements. Although overall expenditure increased by some 5.5%, almost half of the increase was either expenditure directly attributable to the increased level of other charitable activities or spending on the major redecorations, and normal operating costs were generally well contained.

### FIXED ASSETS

As a result of a planned investment policy decision, the major part of cash generated was used to finance capital expenditure during the year of some £289,600, which was mainly spent on equipment and general refurbishments. The movement in fixed assets are shown in note 8 to the financial statements.

### RESERVES POLICY

At 31<sup>st</sup> August 2007 the Trust had uncommitted reserves of £3,591,441 as shown in Note 12. No funds have been set aside for specific items of capital expenditure.

In considering its reserves policy, the Governing Body identified the need to accumulate free reserves to

- provide funds so that they may continue the orderly development and future growth of the School, and
- provide funds for further capital expenditure.

In common with many other independent Schools, the Trust has minimal free cash reserves as operating surpluses are used to finance capital expenditure on improving the buildings, equipment and other facilities needed to enable the School to continue providing the first-class education expected by the public, and it is reliant on bank borrowing to supplement the working capital needed to finance day to day operations. The Governors have a policy to restrict this borrowing to less than one term's fees, at which level they are amply secured by the School's assets.

### FUTURE PLANS

The Governing Body's specific objectives for 2007-8 are to

- 1 maintain Windlesham's same high level of academic performance so that all pupils at Common Entrance achieve entry to their School of choice,
- 2 make further improvements to the School's website and to increase the efficiency of the School's marketing in the light of the changes in boarding policy which will be introduced in 2007,
- 3 put in place the changes to operations and infrastructure which will be needed to cater for the revised policy and for the arrival of the new Head,
- 4 improve links with the local community through greater pupil interaction and by strengthening mutually supportive links with local Schools, and
- 5 continue to address the minor shortcomings identified at the ISI and CSCI inspections in early 2005.

There are no specific committed plans for major items of capital expenditure during the year.



**RESPONSIBILITIES OF THE GOVERNING BODY**

Company law requires the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for that period. In preparing those financial statements, the Governing Body is required to

- select suitable accounting policies and then apply them consistently,
- make sound 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, and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the company will continue in business

The Governing Body is 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. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In accordance with company law, as the Company's Directors, we certify that

- so far as we are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Charity's Auditors are unaware, and
- we have each taken all the steps that we ought to have taken as a director in order to make ourselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information

**AUDITORS**

A resolution to re-appoint Meagre Wood Locke & Co as Auditors to the Charity will be submitted to the Annual General Meeting.

Signed on behalf of the Members of the Governing Body



**N M Hanlon FCA**  
Chairman

10<sup>th</sup> March 2008

**Windlesham House School**  
**Washington**  
**West Sussex**  
**RH20 4AY**

**AUDITORS REPORT TO THE MEMBERS OF THE MALDEN TRUST LIMITED**

We have audited the financial statements of The Malden Trust Limited for the year ended 31<sup>st</sup> August 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 THE GOVERNING BODY AND AUDITORS**

As described in the Statement of Responsibilities of the Governing Body, the Governing Body is responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Governing Body 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Report of the Governing Body concerning the major risks to which the Charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

We read the Report of the Governing Body 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 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 Governing Body 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 the company's affairs as at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

  
Meager Wood Locke & Co  
Chartered Accountants, Registered Auditors

123 Hagley Road  
Edgbaston  
Birmingham  
B16 8LD

10<sup>th</sup> March 2008 2007

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31<sup>st</sup> August 2007

## INCOME AND EXPENDITURE ACCOUNT



	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2006 £
<b>INCOMING RESOURCES</b>					
<b>Charitable Activities</b>					
School Fees	1	4,513,705	-	4,513,705	4,433,903
Other Educational Income	2	76,221	-	76,221	8,155
Other Ancillary Income	2	359,135	-	359,135	420,774
Voluntary Donations		22	25,000	25,022	11,757
Activities to Generate Funds		11,470	-	11,470	18,733
Other Incoming Resources	2	14,266	-	14,266	22,237
<b>Total Incoming Resources</b>		<b>4,974,819</b>	<b>25,000</b>	<b>4,999,819</b>	<b>4,915,559</b>
<b>RESOURCES EXPENDED</b>					
	3,4				
<b>Cost of generating funds</b>					
Development and fundraising		11,914	-	11,914	9,601
Financing costs		23,392	-	23,392	37,618
Non-charitable trading		-	-	-	-
		35,306	-	35,306	47,219
<b>Charitable Activities</b>					
School Operating Costs		4,963,329	2,000	4,965,329	4,808,222
<b>Governance Costs</b>		28,586	-	28,586	30,503
<b>Other Resources Expended</b>		4,640	-	4,640	4,510
<b>Total Resources Expended</b>		<b>5,031,861</b>	<b>2,000</b>	<b>5,033,861</b>	<b>4,890,454</b>
<b>NET INCOME FOR THE YEAR</b>		<b>(57,042)</b>	<b>23,000</b>	<b>(34,042)</b>	<b>25,105</b>
Surplus on revaluation of tangible fixed assets	8	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(57,042)</b>	<b>23,000</b>	<b>(34,042)</b>	<b>25,105</b>
Balances brought forward at 1st September 2006		3,615,483	10,000	3,625,483	3,600,378
<b>FUND BALANCES at 31<sup>st</sup> August 2007</b>		<b>3,558,441</b>	<b>33,000</b>	<b>3,591,441</b>	<b>3,625,483</b>

There are no recognised gains or losses other than those disclosed above  
The notes on pages 16 to 21 form part of these financial statements

**BALANCE SHEET**AS AT 31<sup>st</sup> August 2007

	Notes	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible assets	8		4,878,546		4,919,541
<b>CURRENT ASSETS</b>					
Debtors	6	354,707		324,435	
Stocks		25,776		32,913	
Cash and bank		3,166		5,624	
			<u>383,649</u>	<u>362,972</u>	
<b>CREDITORS</b>					
Due within one year	7	(1,455,823)		(1,361,695)	
<b>NET CURRENT LIABILITIES</b>			<u>(1,072,174)</u>	<u>(998,723)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,806,372</u>	<u>3,920,818</u>	
<b>CREDITORS</b>					
Due after more than one year	7		(214,931)	(295,335)	
<b>TOTAL NET ASSETS</b>			<u>3,591,441</u>	<u>3,625,483</u>	
<b>RESTRICTED FUNDS</b>	11,12a		33,000	10,000	
<b>UNRESTRICTED FUNDS</b>	11,12b				
Designated			34,963	34,963	
General			3,523,478	3,580,520	
<b>TOTAL FUNDS</b>			<u>3,591,441</u>	<u>3,625,483</u>	

Signed on behalf of the Governing Body

 N M Hanlon FCA )  
 M A Chilton BSc FCA ) MEMBERS

10<sup>th</sup> March 2008

The notes on pages 16 to 21 form part of these financial statements

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**FOR THE YEAR ENDED 31<sup>st</sup> August 2007

	2007 £	2006 £
Reported net incoming resources	(34,042)	25,105
Difference between historical cost depreciation charge and the actual depreciation charge for the year on School buildings revalued as at 31 <sup>st</sup> August 2000	8,532	8,532
	<hr/>	<hr/>
Historical incoming resources transferred to reserves	(25,510)	33,637
	<hr/>	<hr/>

The notes on pages 16 to 21 form part of these financial statements Details of the revaluation are disclosed in note 8

**CASH FLOW STATEMENT**FOR THE YEAR ENDED 31<sup>st</sup> August 2007

	2007 £	2006 £
<b>Net cash inflow from operating activities</b>		
Net incoming resources	(34,042)	25,105
Depreciation	330,594	308,340
Interest paid	21,268	31,201
Interest received	(1,280)	(119)
Reduction in provision for bad debts	0	0
(Increase)/decrease in debtors	(30,272)	(23,597)
(Decrease)/increase in creditors	54,651	61,713
(Increase)/decrease in stock	7,137	10,541
	<hr/>	<hr/>
	348,056	413,184
<b>Returns on investment and servicing on finance</b>		
Interest paid	(21,268)	(31,201)
Interest received	1,280	119
	<hr/>	<hr/>
	(19,988)	(31,082)
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(289,600)	(129,188)
Proceeds from sale of assets	-	-
	<hr/>	<hr/>
	(289,600)	(129,188)
<b>Cash flow before use of liquid resources and financing</b>	<hr/>	<hr/>
	38,468	252,914
<b>Financing</b>		
Receipts from loan drawn	0	0
Loan Repayments	(34,554)	(32,421)
Hire purchase obligations repaid	8,321	(10,758)
	<hr/>	<hr/>
	(26,233)	(43,179)
<b>Increase/(decrease) in cash</b>	<hr/>	<hr/>
	12,235	209,735

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**FOR THE YEAR ENDED 31<sup>st</sup> August 2007

	2007 £	2006 £
Increase/(Decrease) in cash in the year	12,235	209,735
Change in net debt resulting from cash flows	12,235	209,735
Change in net loan	34,554	32,421
Net debt at 1 <sup>st</sup> September 2006	(555,795)	(797,951)
Net debt at 31 <sup>st</sup> August 2007	(509,006)	(555,795)

**ANALYSIS OF NET DEBT**

	At 1 <sup>st</sup> September 2006 £	Cash Flows £	At 31 <sup>st</sup> August 2007 £
Cash and bank	5,624	(2,458)	3,166
Overdraft	(399,158)	14,693	(384,465)
Bank Loan	(162,261)	34,554	(127,707)
	(555,795)	46,789	(509,006)

**ACCOUNTING POLICIES**FOR THE YEAR ENDED 31<sup>st</sup> August 2007**a. Basis of preparation:**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of School buildings, in accordance with applicable accounting standards and the current Statement of Recommended Practice on accounting and reporting by charities the Charities SORP 2005

**b. Capitalisation of Fixed Assets:**

Items costing under £200 are charged to the statement of financial activities in the year of purchase, unless the individual item forms part of a major project, purchase or renewal programme where capitalisation is appropriate

**c. Depreciation:**

Depreciation is provided on fixed assets to write off their cost over their estimated useful lives at the following rates

Freehold buildings of permanent construction	- 2% on cost
Freehold non-permanent constructions	- 5% on cost
Furniture, fittings and equipment	- 10% on cost
Motor vehicles and grounds equipment	- 20% on cost
Computer and other electrical equipment	- 25% on cost

In accordance with FRS15 transitional arrangements, the School buildings were revalued at 31st August 2000 and this valuation will be frozen subject to any adjustments necessary resulting from an impairment review

**d. Designated Funds:****Gift Fund**

Miscellaneous gifts received that the Members of the Governing Body have allocated for financing specific items of capital expenditure or given to the Headmaster for use, at his discretion, for School purposes, are added to the gift account

**Appeal Fund**

Donations and other income relating to the School appeal are added to the appeal fund, which the Members of the Governing Body designated to be used for financing specified capital expenditure projects at the School

**e. Fees:**

Fees consist of charges billed for the School Year ending 31<sup>st</sup> August, less bursaries and allowances

Fees billed in advance for the Autumn Term 2007 and not payable before 31<sup>st</sup> August 2007 are not included as Current Assets

**f. Expenditure:**

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

**g. Stocks:**

Stocks are included at the lower of cost or net realisable value



**ACCOUNTING POLICIES (continued)**FOR THE YEAR ENDED 31<sup>st</sup> August 2007**h. Hire Purchase and Lease Transactions.**

Assets acquired under hire purchase agreements and finance leases are capitalised in the Balance Sheet and are depreciated in accordance with the Charity's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in Creditors. Interest is charged to the Statement of Financial Activities over the term of the agreement.

Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.

The cost of assets held under finance leases are included in Fixed Assets. The capital value still to be paid is included in Creditors. Interest on the finance lease is charged to the Revenue Account over the life of the lease agreement.

**i. Pensions:****Teachers' Pension Scheme**

The School is a member of the Teachers' Pension Scheme (England and Wales) ("the Scheme"), a defined benefit pension scheme to which both the School and its Staff contribute. The Scheme is unfunded and contributions on a 'pay-as-you-go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

The pensions cost is assessed in accordance with the advice of the Government Actuary ("GA"). The last Report by the GA covered the period 1<sup>st</sup> April 2001 to 31<sup>st</sup> March 2004. The valuation statement as at 31<sup>st</sup> March 2004 made in November 2006 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.

In accordance with the Teachers' Pension (Amendment) Regulations 2002, the actuarial review assumed that there was a deficiency between assets and liabilities of £3,250 million as at 31<sup>st</sup> March 2004. The Scheme assets at 31<sup>st</sup> March 2004 consisted of future contributions in respect of existing members valued at £47,460 million and a balance of £115,780 million in the Teachers' Pension Account, being a notional investment.

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%. Following this report the standard contribution rate remained at 19.5% until 31<sup>st</sup> December 2006. As a result of a request from the DfES for the GA to calculate an average contribution for current and new provisions a further 1% increase in funding to 20.5% was implemented from 1<sup>st</sup> January 2007, resulting in an increase in employee contributions from 6% to 6.4% and employer contributions from 13.5% to 14.1%.

The Scheme is a multi-employer pension scheme as defined in FRS 17. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. Accordingly, the School has accounted for its contributions to the Scheme, which for the year ended 31<sup>st</sup> August 2007 totalled £196,831 (2006: £185,483) as if it were a defined contribution scheme.

**Group Personal Pension Plan**

The School operates a Group Personal Pension Plan for members of Staff not eligible to join the Teachers' Pension Scheme. The School makes contributions of up to 10% (2006: 10%) of salary for Staff who elect to join.

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31<sup>st</sup> August 2007

<b>1 FEES RECEIVABLE</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Fees receivable consist of		
Standard fees	4,328,068	4,186,078
Extras & Other Tuition Fees	415,818	426,824
Less Bursaries, grants and allowances	(230,181)	(178,999)
	<b>4,513,705</b>	<b>4,433,903</b>
<b>2. OTHER INCOME</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Other Educational Charitable Income		
Entrance & Registration Fees		
Write back of Old and Leavers Deposits	67,771	0
Linen Charges	4,650	5,195
Windlesham House Association	3,800	2,960
	<b>76,221</b>	<b>8,155</b>
Write back of deposits represents deposits for leavers in previous years not previously written back to income and deposits held for pupils who are no longer eligible to attend Windlesham being out of age		
Other Ancillary Activities		
Pupil Disbursements	240,415	317,721
Malden Family Theatre	17,954	16,513
Educational/Charitable Lettings	100,766	82,811
Other	0	3,729
	<b>359,135</b>	<b>420,774</b>
Other Incoming Resources		
Investment Income	1,280	119
Profit on Asset Sales	0	0
Other	12,986	22,118
	<b>14,266</b>	<b>22,237</b>
<b>3. EXPENDITURE</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Governance Expenditure includes:		
Auditors remuneration for audit services	9,988	9,694

**NOTES TO THE ACCOUNTS (Continued)**FOR THE YEAR ENDED 31<sup>st</sup> August 2007

	2007 £	2006 £
<b>Total Staff Costs Comprised</b>		
Payroll Costs		
Salaries and wages	2,645,366	2,635,869
Social security costs	214,222	208,667
Pension contribution	211,984	205,762
Death in service insurance	11,406	12,075
	<hr/>	<hr/>
	3,082,978	3,062,373
Other Staff Costs	73,249	63,718
	<hr/>	<hr/>
<b>Total Staff Costs</b>	<b>3,156,227</b>	<b>3,126,091</b>
	<hr/>	<hr/>

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

	2007 No	2006 No
Teaching (of which 34 are part time)	84	92
Other (of which 24 are part time)	60	60
	<hr/>	<hr/>
	144	152
	<hr/>	<hr/>

The number of employees whose emoluments exceeded £50,000 was

£50,001 - £60,000	2	-
£70,001 - £80,000	1	1
	<hr/>	<hr/>
	3	1
	<hr/>	<hr/>

The three higher paid employees are members of the Teachers' Pension Scheme The total cost of pension contributions during the year was £25,550 (2006 £10,125)

## NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31<sup>st</sup> August 2007

## 4. ANALYSIS OF RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
<b>Cost of Generating Funds</b>				
Development & fundraising	9,695	2,219	-	11,914
Financing costs	-	23,392	-	23,392
Non-charitable trading costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,695	25,611	0	35,306
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Charitable Activities</b>				
Teaching	2,312,902	206,393	75,053	2,594,348
Welfare	446,944	236,377	76,177	759,498
Premises	205,558	531,973	161,477	899,008
Pupil Disbursements	-	261,499	-	261,499
Other Support Costs for Schooling	175,248	255,841	17,887	448,976
	<hr/>	<hr/>	<hr/>	<hr/>
School's Operating Costs	3,140,652	1,492,083	330,594	4,963,329
Grants & Awards	-	2,000	-	2,000
	<hr/>	<hr/>	<hr/>	<hr/>
	3,140,652	1,494,083	330,594	4,965,329
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Governance Costs</b>	5,880	22,706	-	28,586
<b>Other Resources Expended</b>				
Discretionary Payments to Former Employees	-	4,640	-	4,640
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Resources Expended</b>	<b>3,156,227</b>	<b>1,547,040</b>	<b>330,594</b>	<b>5,033,861</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS (Continued)**FOR THE YEAR ENDED 31<sup>st</sup> August 2007**5. RELATED PARTY TRANSACTIONS**

During the year one governor received re-imbusement in respect of travel expenses totalling £262. No members of the Governing Body or persons connected with them received any remuneration or other benefits from the School.

**6. DEBTORS**

	2007 £	2006 £
Fee debtors	203,700	221,595
Other debtors	9,754	17,943
Prepayments	141,253	84,897
	<hr/>	<hr/>
	354,707	324,435
	<hr/>	<hr/>

**7. CREDITORS**

	2007 £	2006 £
<b>Due within one year or on demand</b>		
Fees in advance and pupil deposits	648,259	615,929
Payroll taxes and social security costs	63,210	59,999
Other creditors and accruals	318,390	251,364
Finance lease obligations	8,400	4,400
Bank Overdraft	384,465	399,158
Bank Loan	33,099	30,845
	<hr/>	<hr/>
	1,455,823	1,361,695
	<hr/>	<hr/>
<b>Due after more than one year</b>		
Pupil deposits	107,935	155,852
Finance lease obligations		
due between one and two years	7,667	4,400
due between two and five years	4,721	3,667
due in five years or more	0	0
Bank Loan		
due between one and two years	39,251	36,808
due between two and five years	55,357	94,608
due in five years or more	0	0
	<hr/>	<hr/>
	214,931	295,335
	<hr/>	<hr/>

The bank overdraft and loan are secured on the freehold property of the School. The loan is repayable by fixed monthly instalments at the rate of £44,512 per annum including interest.

The detailed maturity analysis of pupil deposits cannot readily be determined as their repayment only falls due on the event of a pupil leaving the School.

## NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31<sup>st</sup> August 2007

8. TANGIBLE FIXED ASSETS	2007 £	2006 £
Freehold land and permanent buildings	3,631,360	3,725,041
Freehold buildings of non permanent construction	220,262	236,342
Furniture, fittings and equipment	895,597	866,655
Computer and electrical equipment	103,903	87,076
Motor vehicles and grounds equipment	27,425	4,427
	<hr/>	<hr/>
Total Net Book Value	4,878,547	4,919,541
	<hr/>	<hr/>

The movement of tangible fixed assets was as follows

	Freehold Land and Permanent Buildings £	Freehold Buildings of Non Permanent Construction £	Furniture Fittings and Equipment £	Computer and Electrical Equipment £	Motor Vehicles & Grounds Equipment £
<b>COST OR VALUATION</b>					
At 1 <sup>st</sup> September 2006	4,684,070	321,561	1,650,249	517,824	86,805
Additions	-	-	198,562	64,731	26,307
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> August 2007	4,684,070	321,561	1,848,811	582,555	113,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At valuation	426,588	-	-	-	-
At cost	4,257,482	321,561	1,848,811	582,555	113,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,684,070	321,561	1,848,811	582,555	113,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
At 1 <sup>st</sup> September 2006	959,029	85,219	783,594	430,748	82,378
Charge for the year	93,681	16,080	169,620	47,904	3,309
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> August 2007	1,052,710	101,299	953,214	478,652	85,687
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 <sup>st</sup> August 2007	3,631,360	220,262	895,597	103,903	27,425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> August 2006	3,725,041	236,342	866,655	87,076	4,427
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS (Continued)**FOR THE YEAR ENDED 31<sup>st</sup> August 2007

The School's freehold property was valued by Strutt & Parker, Chartered Surveyors on 13<sup>th</sup> February 2001

Included in Tangible Fixed Assets are assets held under finance lease with a net book value of £34,146 at 31<sup>st</sup> August 2007. The depreciation charge for these assets during the year was £2,875

All of the Fixed Assets as shown above are used in the charitable activities of the School

**9. CAPITAL COMMITMENTS**

There are no commitments for future capital expenditure which are not provided for in these accounts

<b>10. OPERATING LEASES</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Annual commitments under non cancellable operating leases		
Operating leases that expire		
Within one year	0	5,807
In second to fifth years	13,484	0
	<hr/>	<hr/>
	<b>13,484</b>	<b>5,807</b>
	<hr/>	<hr/>

**11. ANALYSIS OF ASSETS BETWEEN FUNDS**

	<b>Tangible Fixed Assets £</b>	<b>Net Current Liabilities £</b>	<b>Long Term Liabilities £</b>	<b>Total £</b>
Restricted	-	33,000	-	33,000
Unrestricted				
- Designated	-	34,963	-	34,963
- General	4,878,546	(1,140,137)	(214,931)	3,523,478
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>4,878,546</b>	<b>(1,072,174)</b>	<b>(214,931)</b>	<b>3,591,441</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**12a. RESTRICTED FUNDS**

	<b>Balance 1<sup>st</sup> September 2006 £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Transfer £</b>	<b>Balance 31<sup>st</sup> August 2007 £</b>
Scholarships & Bursaries	10,000	25,000	2,000	-	33,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>10,000</b>	<b>25,000</b>	<b>2,000</b>	<b>-</b>	<b>33,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS (Continued)**FOR THE YEAR ENDED 31<sup>st</sup> August 2007**12b. UNRESTRICTED FUNDS**

	Balance 1 <sup>st</sup> September 2006 £	Incoming Resources £	Resources Expended £	Transfer £	Balance 31 <sup>st</sup> August 2007 £
Designated					
- Appeal	-	-	-	-	-
- Gift	34,963	-	-	-	34,963
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	34,963	-	-	-	34,963
General	3,580,520	4,974,819	(5,031,861)	-	3,523,478
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,615,483	4,974,819	(5,031,861)	-	3,558,441
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**13. REVALUATION RESERVE**

	2007 £	2006 £
Balance at 1 <sup>st</sup> September 2006	331,741	340,273
Difference between historical cost depreciation charge and the actual depreciation charge for the year on School buildings revalued as at 31 <sup>st</sup> August 2000 in February 2001 (see note 8)	(8,532)	(8,532)
	<hr/>	<hr/>
Balance at 31 <sup>st</sup> August 2007	323,209	331,741
	<hr/>	<hr/>

**14. SHARE CAPITAL**

The company is limited by guarantee and as such has not issued share capital

**15. TAXATION**

The company is a registered Charity and no tax is payable on its income