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ELTHAM COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1998



ELTHAM COLLEGE

(A Company Limited by Guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1998

STATUS AND ADMINISTRATION

Eltham College is a registered charity, number 1058438 and is also a company limited by guarantee, registered company number 3245525.

TRUSTEES AND OFFICERS

The Trustee of the Charity is the body corporate of Eltham College. The Governing Body, in whom the governance of the School is vested and which forms the Board of Directors of the Trustee, was as follows during the period: -

NAME	CHANGES	COMMITTEES			
		F	J	L	P
N P Betts					
Mrs S J Bigg		◆		◇	
B C Carey				◇	◆
Mrs B M Charlick			◇	◇	
Clifford Charlton	Appointed 9 June 1998				
Carol Clark	Appointed 9 June 1998				
J R Davis – French			◆	◇	
Rev. D W Doonan	Resigned 1 October 1998				
Mrs P R Histed			◇	◇	
F D James					◇
M Long					
D Mahoney	Appointed 12 March 1998	◇			
C Muttukumaru	Appointed 15 September 1998				
G A Milnes	Resigned 24 September 1997	◇			
R B Morgan		◇		◇	
D J Norris (Chairman)		◇	◇	◇	◇
S R Smith				◇	
M W Stickings	Resigned 9 June 1998				
D A Thompson (Vice- Chairman)		◇	◇	◆	
Mrs J A Willis	Resigned 9 June 1998		◇		
J E Willis				◇	

Committees

F - Finance, J - Junior School, L - Long Term Planning and P - Premises

◆ Denotes Chairman of the committee

◇ Denotes Member of the committee

Messrs Thompson, Davis-French and Willis retire by rotation and, being eligible, offer themselves for re-election.

No director had an interest in any contract or arrangement of a material nature during the period under review except as disclosed in note 19 to these financial statements.

ELTHAM COLLEGE

(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1998

PROFESSIONAL ADVISERS AND KEY PERSONNEL

Headmaster:	D M Green MA FRSA
Bursar:	D Cooper ACCA
Address:	Eltham College Grove Park Road Mottingham London, SE9 4QF
Bankers:	Barclays Bank Plc 41 Woolwich New Road London, SE18 6NU
Auditors:	Wilkins Kennedy Bridge House London Bridge London, SE1 9QR
Solicitors:	Bircham & Co 1 Dean Farrar Street Westminster London, SW1H 0DY

OBJECTS

The principal object set out in the Memorandum of Association is the provision of education of boys and girls up to age 18.

ORGANISATION

The Directors determine the general policy of the school in accordance with a scheme promulgated by the Charity Commissioners. The day to day management of the school is delegated to the Headmaster and the Bursar.

POLICY

The school's policy is to encourage all pupils to grow into mature, enquiring, rounded and sensitive human beings able to relate to others and to their environment. As stated in our aims, the School is committed to all round educational excellence, supported by a strong sense of moral and spiritual values.

REVIEW OF ACTIVITIES AND DEVELOPMENTS

The school is full to capacity, with 185 in the Junior School and 590 in the Senior School. A number of pupils are still supported under the Government's Assisted Places Scheme and others are on Scholarships and Bursaries.

The combined 'A' level and GCSE results were the best achieved in the school's history, while fifteen pupils were offered places by Oxford and Cambridge universities.

The year was notable for achievements in the creative arts – Music, Drama, Design and Art – and there were many sporting successes.

The building of a new Library, Sixth Form Study area and Careers Centre should be complete by Christmas 1998.

ELTHAM COLLEGE
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1998

THE FINANCIAL RESULTS

The School's activities generated a surplus after appropriations of £5,385. No dividends are proposed.

INVESTMENT POWERS

These are governed by the Memorandum and Articles which permit funds to be invested in any security listed on the London Stock Exchange.

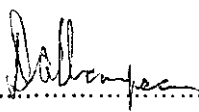

RESOURCES

As stated in the notes to the accounts the unrestricted funds are split between those designated for specific purposes and those available for day to day requirements of the School. Details of designated funds are contained under note 14(b). The School's assets are sufficient to meet its obligations.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution to confirm the appointment of Wilkins Kennedy as auditors to the company will be put to the annual general meeting.

Approved by the Board at its meeting on 17 November 1998 and signed on its behalf by:

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the directors' responsibilities, from those of the auditors as stated in their reports.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 or other irregularities.

REPORT OF THE AUDITORS

TO THE MEMBERS OF ELTHAM COLLEGE (THE COMPANY)

We have audited the accounts on pages 5 to 16, which have been prepared under the historic cost convention as modified by the revaluation of fixed asset investments and the accounting policies set out on pages 9 and 10.

Respective responsibilities of the directors and auditors

As described on page 3 the directors of Eltham College are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on the accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

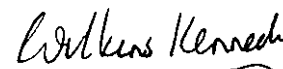
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 August 1998 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Bridge House
London Bridge
London SE1 9QR

17 November 1998



WILKINS KENNEDY
Chartered Accountants
And Registered Auditors

ELTHAM COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 1998

	Notes	Unrestricted Funds School £	Other £	Restricted £	Total 1998 £	Total 1997 £
INCOMING RESOURCES						
Fees receivable	2(a)	3,971,833	(19,357)	-	3,952,476	3,752,944
School meals		198,304	-	-	198,304	179,238
Investment income		-	16,500	2,779	19,279	26,120
Bank and other interest		29,218	-	-	29,218	10,175
Sundry other income	3	72,886	-	400,561	473,447	237,937
Donations		-	-	35,991	35,991	51,660
Total Incoming Resources		4,272,241	(2,857)	439,331	4,708,715	4,258,074
RESOURCES EXPENDED						
Direct Charitable Expenditure						
Teaching costs		2,351,007	-	-	2,351,007	2,539,988
Welfare		272,424	-	115,494	387,918	266,453
Premises		816,380	31,352	-	847,732	704,480
Support costs		710,388	-	220,123	930,511	518,769
Grants, awards and prizes	2(b)	2,435	-	1,795	4,230	8,673
		4,152,634	31,352	337,412	4,521,398	4,038,363
Other Expenditure						
Management and administration	6	16,481	-	-	16,481	67,115
Finance and other costs		42,741	-	-	42,741	63,295
		59,222	-	-	59,222	130,410
Total resources expended	6	4,211,856	31,352	337,412	4,580,620	4,168,773
Net incoming resources before transfers		60,385	(34,209)	101,919	128,095	89,301
Transfers between funds		(23,648)	23,648	(93,404)	(93,404)	-
		36,737	(10,561)	8,515	34,691	89,301
NET INCOMING RESOURCES		26,176		8,515	34,691	89,301
Gains on investment assets:						
Realised		18,147		1,853	20,000	-
Unrealised		9,639		-	9,639	69,459
NET MOVEMENT IN FUNDS		53,962		10,368	64,330	158,760
Balances brought forward						
At 1 September 1997		3,096,010		140,987	3,236,997	3,078,237
BALANCES CARRIED FORWARD						
at 31 August 1998		£3,149,972		£151,355	£3,301,327	£3,236,997

The notes on pages 9 to 16 form part of these accounts.

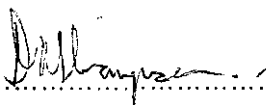
ELTHAM COLLEGE

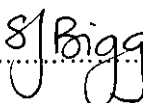
BALANCE SHEET

AS AT 31 AUGUST 1998

	Notes	£	1998 £	£	1997 £
FIXED ASSETS					
School buildings and equipment	8		3,711,906		3,618,900
Investments	9		276,705		490,383
			<u>3,988,611</u>		<u>4,109,283</u>
CURRENT ASSETS					
Stocks		5,024		5,463	
Debtors	10	296,474		212,226	
Cash		164,088		55,973	
		<u>465,586</u>		<u>273,662</u>	
CREDITORS: Amounts falling due within one year	11	(799,931)		(699,547)	
NET CURRENT LIABILITIES			<u>(334,345)</u>		<u>(425,885)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,654,266		3,683,398
CREDITORS: Amounts falling due after more than one year	12		(352,939)		(446,401)
NET ASSETS			<u>£3,301,327</u>		<u>£3,236,997</u>
RESTRICTED FUNDS	14(a)		151,355		140,987
UNRESTRICTED FUNDS					
Designated & general funds	14(b)		3,149,972		3,096,010
TOTAL FUNDS			<u>£3,301,327</u>		<u>£3,236,997</u>

Approved by the Board on 17 November 1998
and signed on its behalf by


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The notes on pages 9 to 16 form part of these accounts.

ELTHAM COLLEGE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 1998

	Notes	1998		1997	
		£	£	£	£
NET CASH INFLOW FROM OPERATIONS	16		222,958		306,504
INVESTING ACTIVITIES					
Payment for tangible fixed assets		(268,238)		(121,380)	
Proceeds from sale of tangible fixed assets		-		14,400	
Proceeds from sale of investments	18	<u>243,318</u>		<u> </u>	
			(24,920)		(106,980)
NET CASH INFLOW BEFORE FINANCING			<u>198,308</u>		<u>199,524</u>
FINANCING	18		(89,923)		354,352
INCREASE IN CASH IN THE YEAR	17		<u>£108,115</u>		<u>£553,876</u>

ELTHAM COLLEGE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 1998

	1998 £	1997 £
Gross charitable income	4,708,715	4,258,074
Charitable expenditure	(4,580,620)	(4,168,773)
NET INCOME FOR THE YEAR	<u>£128,095</u>	<u>£89,301</u>

Notes

1. Gross charitable income consists of the Schools' income of £4,272,241 plus restricted income of £439,331 and other income of £(2,857). A detailed analysis of income by source is provided in the Statement of Financial Activities.
2. Charitable expenditure consists of the Schools' direct charitable expenditure and management and administration totalling £4,211,856 plus restricted funds expenditure of £337,412 and other funds expenditure of £31,352. A detailed analysis of the expenditure is provided in the Statement of Financial Activities and notes 4 to 6.
3. Net income before investment asset disposals and transfers consists of the Net Incoming Resources of the Unrestricted Funds (Schools and Other) of £26,176 and the Restricted Funds of £101,919.
4. The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 5 which together with notes to the accounts on pages 9 to 16 provides the full information on the movements during the year on all the funds of the School.

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1998

1. ACCOUNTING POLICIES

a) Basis of Preparation and accounting period

The accounts are prepared under the historical cost convention, except that investments held as fixed assets are carried at market value and, in accordance with applicable accounting standards and the *Statement of Recommended Practice, Accounting by Charities*.

b) Tangible Fixed Assets

School Buildings and Equipment

The original School land and buildings are carried at original cost as the Directors consider it is not appropriate to apply a modern value to such property. The School is responsible for keeping these properties in fit and useful condition and these costs are written off as incurred.

Items costing less than £500 are written off as an expense as acquired.

Depreciation

The original School buildings, freehold land and building work in progress are not depreciated. Depreciation of other assets is provided at rates to write off the excess of cost over estimated residual amount over their estimated useful lives as follows:

Buildings	20-50 years
Improvements and refurbishments	20 years
Computer equipment	3 years
Other equipment	10 years
Motor vehicles	4 years

c) 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 granted by the school, but include contributions received from Restricted Funds for scholarships, bursaries and other grants.

d) Donations

Donations received for the general purposes of the School are credited to "other unrestricted funds", to distinguish them from direct school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or to endowed funds where the amount is required to be held as permanent capital.

e) Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned accordingly. The irrecoverable element of VAT is included with the item of expense to which it relates.

Supplies of books, expenditure and sundry equipment are written off when the expenditure is incurred.

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
(continued)

f) Operating leases

Rentals payable are charged on a time basis over the lease term.

g) Pension schemes

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 college also contributes to personal pension schemes for non-teaching staff.

h) Finance and other costs

Other costs includes amounts accrued in respect of Advance Fees.

i) Current assets

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

2. FEES	1998 £	1997 £
(a) Fees receivable consist of:		
Gross fees	4,406,830	4,109,912
Less: Total bursaries, grants and allowances	(436,792)	(364,193)
	<hr/> 3,970,038	<hr/> 3,745,719
Add back Scholarships, Grants etc. paid for by Restricted Funds	1,795	7,225
	<hr/> £3,971,833	<hr/> £3,752,944

Allowances include a contribution of £120,792 (1997: £95,799) by the School to cover the shortfall in the Assisted Places Scheme for pupils.

b) The total scholarship grants, awards and prizes paid for by restricted and designated Trust funds consists of:		
Scholarships, grants etc.	283,969	268,394
Prizes and leaving awards	2,435	1,448
	<hr/> 286,404	<hr/> 269,842
Total	286,404	269,842
Less: amount deducted from fees as paid out of designated funds	(282,174)	(261,169)
	<hr/> £4,230	<hr/> £8,673

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
(continued)

3. OTHER INCOME	1998 £	1997 £
Entrance and registration fees	14,470	16,237
Courses and sub-lettings	58,416	68,767
Other	-	16,440
	<hr/>	<hr/>
Other income - School	72,886	101,444
Restricted funds: School projects and productions	400,561	136,493
	<hr/>	<hr/>
	<u>£473,447</u>	<u>£237,937</u>

4. EXPENDITURE		
Direct charitable expenditure includes:		
Profit on disposal of fixed assets	<hr/> -	<hr/> £9,815
Other expenditure includes:		
Auditors' remuneration:		
For audit	9,153	5,000
For other services	<hr/> 2,542	<hr/> 4,821

5. STAFF COSTS		
Wages and salaries	2,502,083	2,355,842
Social security costs	207,891	190,615
Pension contributions	156,319	158,718
	<hr/>	<hr/>
	<u>£2,866,293</u>	<u>£2,705,175</u>

The average number of employees in the year was:

	<u>Number</u>	<u>Number</u>
Academic	69	69
Administration	9	9
Other	<hr/> 38	<hr/> 38
	<hr/>	<hr/>
	116	116

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

The number of employees whose emoluments exceeded £40,000 were:

£40,001 - £50,000	0	0
£50,001 - £60,000	0	1
£60,001 - £70,000	<hr/> 1	<hr/> 0

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
(continued)

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	Total £	1997 £
Direct Charitable Expenditure					
Teaching costs	2,351,007	-	-	2,351,007	2,539,988
Welfare	6,724	381,194	-	387,918	266,453
Premises	305,405	367,096	175,231	847,732	704,480
Support costs	203,157	727,351	-	930,511	518,769
Grants, awards and prizes	-	4,230	-	4,230	8,673
	<u>2,866,293</u>	<u>1,479,874</u>	<u>175,231</u>	<u>4,521,398</u>	<u>4,038,363</u>
Other Expenditure:					
Management and administration of the charity	-	16,481	-	16,481	67,115
Finance and other costs	-	42,741	-	42,741	63,295
	<u>-</u>	<u>42,741</u>	<u>-</u>	<u>42,741</u>	<u>63,295</u>
Total resources expended	<u>£2,866,293</u>	<u>£1,539,096</u>	<u>£ 175,231</u>	<u>£4,580,620</u>	<u>£4,168,773</u>

7. TRANSFERS

Within restricted funds, a total of £ nil (1997: £60,276) was transferred to the General Scholarship Fund. Such transfers were within the terms of the original gifts.

8. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Furniture and Equipment £	Motor Vehicles £	Total £
COST				
1 September 1997	3,825,015	652,184	43,462	4,520,661
Additions	<u>197,186</u>	<u>63,181</u>	<u>7,871</u>	<u>268,238</u>
31 August 1998	<u>4,022,201</u>	<u>715,465</u>	<u>51,333</u>	<u>4,788,999</u>
DEPRECIATION				
1 September 1997	599,183	281,972	20,707	901,862
Charge for year	<u>74,050</u>	<u>89,855</u>	<u>11,326</u>	<u>175,231</u>
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 1998	<u>673,233</u>	<u>371,827</u>	<u>32,033</u>	<u>1,077,093</u>
Net book values				
At 31 August 1998	<u>£3,348,969</u>	<u>£343,638</u>	<u>£19,300</u>	<u>£3,711,906</u>
Net book values				
At 31 August 1997	<u>£3,225,933</u>	<u>£370,212</u>	<u>£22,755</u>	<u>£3,618,900</u>

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
(continued)

9. INVESTMENTS

	Unrestricted Designated £	Restricted £	Total £
Balance at 1 September 1997	414,127	76,256	490,383
Increase/(Decrease) in market value	65,257	(35,617)	29,640
Disposal	(243,318)	-	(243,318)
	<u>£236,066</u>	<u>£40,639</u>	<u>£276,705</u>
Balance at 31 August 1998			
	<u>£236,066</u>	<u>£40,639</u>	<u>£276,705</u>
Listed on the Stock Exchange	<u>£236,066</u>	<u>£40,639</u>	<u>£276,705</u>

Individual investments constituting 5% or greater of total market value are as follows:-

Income shares in COIF	<u>£245,939</u>
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10. DEBTORS

	1998 £	1997 £
Fees	149,230	153,535
Sundry debtors	144,823	50,073
Prepayments	2,421	8,618
	<u>£296,474</u>	<u>£212,226</u>

11. CREDITORS: Amounts falling due within one year

Bank loans and overdraft (note 13)	93,526	167,942
Fees received in advance	314,726	262,741
Taxation and social security	66,529	67,631
Pension contributions	27,144	23,885
Other creditors	18,054	21,267
Accruals	279,952	156,081
	<u>£799,931</u>	<u>£699,547</u>

12. CREDITORS: Amounts falling due after more than one year

Bank loans (note 13)	<u>£352,939</u>	<u>£446,401</u>
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ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
(continued)

13. BORROWINGS	1998 £	1997 £
The bank loans and overdraft are repayable as follows:-		
Due within two to five years	352,939	415,540
Due after more than five years	-	30,861
	<hr/>	<hr/>
Due after more than one year	352,939	446,401
Due within one year	93,526	167,942
	<hr/>	<hr/>
Total borrowings	<u>£446,465</u>	<u>£614,343</u>

The borrowings are secured by way of a fixed charge over the School's land and buildings.

14. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

	Fixed Assets £	Investments £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted funds	-	40,639	110,716	-	151,355
Unrestricted funds	3,711,906	236,066	(445,061)	(352,939)	3,149,972
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>£3,711,906</u>	<u>£276,705</u>	<u>£(334,345)</u>	<u>£(352,939)</u>	<u>£3,301,327</u>

14a. RESTRICTED FUNDS	Balance 1 September 1997 £	Incoming Resources £	Resources Expended £	Transfers Investment Gains/(losses) £	Balance 31 August 1998 £
School projects and productions	26,386	399,289	(335,617)	(69,884)	20,174
Scholarships and bursaries	81,256	4,051	(1,795)	1,859	85,371
Foundation fund	33,345	-	-	-	33,345
Bursary fund	-	12,465	-	-	12,465
Appeal fund	-	23,526	-	(23,526)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>£140,987</u>	<u>£439,331</u>	<u>£(337,412)</u>	<u>£(91,551)</u>	<u>£151,355</u>

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

14b. UNRESTRICTED FUNDS

	Balance 1 September 1997 £	Incoming Resources £	Resources Expended £	Transfers Investment Gains/(losses) £	Balance 31 August 1998 £
Designated:					
Scholarship and bursary funds	422,801	(2,857)	-	27,786	447,730
Property replacement fund	2,299,814	-	-	-	2,299,814
Development fund	322,354	-	(31,352)	55,000	346,002
Revenue reserve	51,041	4,272,241	(4,211,856)	(55,000)	56,426
	<u>£3,096,010</u>	<u>£4,269,384</u>	<u>£(4,243,208)</u>	<u>£27,786</u>	<u>£3,149,972</u>

General scholarship and bursary funds incorporate the Horace Pearson bursary, Tudor Trust bursary, Wolfson bursary and Edwin Walker Memorial bursary funds.

The revenue reserve fund is retained to cover the fixed assets and provide working capital.

15. CONTRACTS, COMMITMENTS AND CONTINGENCIES

As at 31 August 1998 there was an amount of £193,440, which had been contracted in respect of an ongoing capital project.

Contingent liability

Amounts totalling £721,000 were received in 1996 from external sources for the purpose of developing and equipping the School's Sports Centre. Of this, a retention of £652,333 remained contingent at the year-end on the Sports Centre remaining available for dual use by the School and the general public.

16. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	1998	1997
	£	£
Net Incoming Resources	34,691	89,301
Depreciation charges	175,231	158,489
Decrease/(Increase) in stocks	439	(5,119)
Increase/(Decrease) in debtors	(84,248)	102,333
Increase/(Decrease) in creditors	96,845	(48,315)
	<u>188,267</u>	<u>207,388</u>
Profit on disposal of tangible fixed assets	-	9,815
Net cash inflow from operations	<u>£222,958</u>	<u>£306,504</u>

ELTHAM COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

17. ANALYSIS OF CHANGES IN CASH

	Cash at bank and in hand £	Bank Overdraft £	Total £
Balance as at over 1 September 1997	55,973	(77,955)	(21,982)
Net cash inflow	108,115	77,955	186,070
Balance 31 August 1998	£164,088	-	£164,088

18. ANALYSIS OF CHANGES IN FINANCING

	Loans £
Balance 1 September 1997	536,388
New loans advanced	43,738
Loan repayments	(133,661)
Balance at 31 August 1998	£446,465

19. RELATED PARTY TRANSACTIONS

- a) Fees payable by directors, as parents of children at the School, totalled £24,702 (1997: £32,673) for the year. £2,544 (1997: £7,344) remained outstanding from these directors at 31 August 1998 of which £150 (1997: £7,000) has been paid subsequent to the year-end. None of the directors paid reduced fees as a result of their office.
- b) Mr Carey, a director of the company, is a partner in Malcolm Judd & Partners to which the company paid £8,027 (1997: £7,653) for surveying and planning fees.
- c) Mr Thompson and Mrs Bigg, directors of the company, are also directors of FSSM Limited, to which the company paid £15,000 (1997: £15,000) for licence fees and from which the company received £47,000 (1997: £40,000) for lease income. Amounts totalling £20,503 (1997: £14,197) were outstanding from that company at 31 August 1998.

20. STAFF LOANS

Loans of £37,100 were made to key members of staff in the year. The loans are open ended and subject to repayment on termination of employment.