

313115

**REPORT OF THE TRUSTEES  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2004  
FOR  
THE FELLOWSHIP OF THE SCHOOL OF  
ECONOMIC SCIENCE**

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for the Year Ended 31 March 2004**

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# **The Fellowship of the School of Economic Science Report of the Trustees**

The Executive Committee submits the Annual Report, together with the financial statements of the Fellowship for the year ended 31<sup>st</sup> March 2004.

## **Status and Objectives**

The Fellowship was formed in 1937 and is registered as a charity (No. 313115). The governing instrument of the Fellowship is the Rules as amended on 23 July 1996.

## **The Principal Objects are:**

- 1) To promote the study of natural laws governing the relations between men in society and all studies related thereto and to promote the study of the laws, customs and practices by which communities are governed and all studies related thereto.
- 2) To organise a School for the furtherance of these objects, such School to be known as the School of Economic Science.
- 3) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

## **Trustees**

For the purpose of this report, the Trustees are deemed to be the members of the Executive Committee who are responsible for the general management of the affairs of the Fellowship. The members of the Executive Committee are elected each year by the Ordinary Members in Annual General Meeting and constitute the principal officers of the Fellowship.

The members of the Executive Committee at the beginning and at the end of the year were:

### **Until 22 July 2003**

G.M. Skelcey	Chairman
R.I. Woods	Treasurer
P. Watson	Hon. Secretary
J.H. Armstrong	
T. Graves	
J. Sinclair	
I. Mason	
Mrs. A. David	
M. Kettle	
H. S. Venables	Co-opted 23.07.02

### **From 22 July 2003**

G.M. Skelcey	Chairman
M. Kettle	Treasurer
P. Watson	Hon. Secretary
J.H. Armstrong	
H.S. Venables	
J. Sinclair	
I. Mason	
Mrs. A. David	
A. Bryan	

## **Organisational Structure**

The Fellowship consists of 234 Ordinary Members and 11 Associate Members who have been invited to join the Fellowship by the Executive then acting and who have completed a course of Economics to the satisfaction of their tutors. This Fellowship meets at least once each year for the purpose of approving the Chairman's Report, the Financial Statements and for electing the Officers and an Executive Committee for the ensuing year. A quorum of two thirds of the members is required.

# **The Fellowship of the School of Economic Science Report of the Trustees (continued)**

## **Trustees Responsibilities**

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation.

The Trustees are responsible for ensuring that accounting records are maintained, which disclose with reasonable accuracy the financial position of the charity, and financial statements are produced that comply with applicable law. They are 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.

## **The Operation of the School**

In order to achieve the principal objectives of the Fellowship the following operational policies have been adopted, which have not changed since the last Report.

Regular evening classes are offered on the subjects of philosophy and economics. Various other public courses are offered, including short courses on specific aspects of applied philosophy, and on other specialist subjects such as art, drawing, law and ethics. In addition, a wider coverage of special study subjects has been available to existing students of the School including art, architecture, calligraphy, dance, law, medicine, music, religious studies, Renaissance studies, rhetoric, and Sanskrit. Symposium events are offered regularly, mainly for students in the first year.

There are currently 19 Branches in Great Britain, many of which offer public courses in a number of different locations within their region. There are also associated Schools in 25 principal locations overseas, all of which are constituted locally and are not therefore included in this report or the financial statements attached.

Students who have attended the School for a few terms are encouraged to take up the practice of meditation, and in due course thereafter are invited to attend residential study and practice events at Waterperry House near Oxford, Nanpantan Hall near Loughborough, and at other venues in northern England and Scotland.

Students of the School who were parents of young children were instrumental in establishing The Independent Educational Association Limited in 1975. This is a separate charity, which operates four Day schools for the education of children between the ages 4 and 18. Two members of the Executive Committee of the Fellowship are current members of the Governing Board of the IEAL. The School also has strong links with the Education Renaissance Trust, which is also a separate charity.

When Waterperry House was purchased there was an established horticultural enterprise. The School has maintained and expanded this in order to provide local employment, a facility for horticultural studies and training, and to enable the extensive gardens, orchards and grounds to be kept in good order. The management of these activities is now dealt with by a separate company known as Waterperry Gardens Limited, which is a wholly owned subsidiary of the Fellowship. The results of Waterperry Gardens Limited have been consolidated with those of the Fellowship and are included in the Consolidated Statement of Financial Activities and Group Balance Sheet. A separate Statement of Financial Activities and Balance Sheet show the position of the charity alone.

There are refreshment facilities and, at most locations, bookshop facilities for students attending the School's classes. Students provide staffing on a voluntary basis, and a trading surplus from these activities provides a significant source of income to the school. Group tutors provide their services without payment, which is one of the principles on which the School operates. Apart from the main administrative office functions, most other services are also provided by unpaid volunteers.

# **The Fellowship of the School of Economic Science Report of the Trustees (Continued)**

## **Review of the Year**

### **General and subsequent events**

The School's traditional courses in philosophy and economics have continued, together with some shorter public courses on specialist aspects. There was a noticeable increase in numbers attending the introductory philosophy courses during the year. Saturday morning study groups are available in London for students who have completed the first year philosophy classes, and a considerable range of more detailed studies is undertaken by more senior students. In London and some of the Branches, courses have also been offered on the subjects of "Practical Philosophy for Parents" and "Practical Philosophy and Marriage".

The School has settled in well at its new headquarters at 11 Mandeville Place, London W1, and the building is full to capacity on nearly every evening of the week during term time. Daytime philosophy classes are also held there for some groups, and limited accommodation has been made available for hire to appropriate outside organisations.

There have been further significant developments during the year in relation to School properties. In January 2004 the decision was taken to proceed with an additional substantial improvement project at Waterperry House, in pursuance of planning permission and Listed Building Consent obtained some years ago. This will provide a more spacious access to the kitchen, together with a new passenger/disabled persons/ luggage lift serving ground, first and second floors of the building and an improved access to the basement. Work continues on the frescoes in the New Hall at Waterperry House and should be completed before the end of 2004, following which this project can be finalised by the laying of a new floor.

The North-West Branch entered into a contract for the purchase of a freehold property at Baker Street, Stockport, as its new headquarters, and the purchase was completed in early April 2004. The Branch in Scotland has informed the Executive Committee of its need for new premises in Edinburgh and Glasgow, and is actively looking for suitable buildings. One possibility has been identified in Glasgow, in respect of which discussions have been commenced with the City Council.

Following an extensive review of finances and future accommodation needs, including consultation with the Senior Tutor, the Executive Committee of the Fellowship decided in principle to place Sarum Chase on the market for sale and to instruct FPD Savills, a well-known firm of international property consultants with extensive experience of dealing with large residential properties, as the marketing agents. It is intended that future accommodation needs to supplement Mandeville Place will be provided in an alternative, less expensive area, better located for travelling by the majority of students and, if possible, with on-site parking facilities. An important aspect of the Executive's strategy is to achieve a final outcome that will leave a substantial capital sum available for future property improvements and purchases, including acquisitions by the Branches where student numbers and other circumstances justify it.

The seventh volume of the Ficino letters translated by the School's Renaissance Group was published during the year. Production of the new School magazine, Convivium, continued with a second issue in Autumn 2003.

In December 2003, the Fellowship hosted a gathering of the Leaders of associated Schools around the world for a four-week residential event at Waterperry House.

### **Financial**

Total resources decreased during the financial year by £99,415 after providing £193,561 for depreciation on freehold properties, on which repairs and maintenance costs of £117,000 were incurred. No legacies were received.

Total capital additions were £133,975, of which £66,840 was incurred on property improvements, £17,500 deposit on the new premises in Stockport, and £49,635 on various equipment.

Waterperry Gardens Limited showed profits of £36,972 (2003: £33,134) on a turnover of £1,273,720 up 5.2% on the previous year. Extensive improvements were made to the Garden Shop on which £48,522 capital expenditure was incurred, whilst £65,663 was spent on other capital items. The company needed short term financing support from the parent charity during the 2003/4 winter period. The loan has subsequently been repaid.

**The Fellowship of the School of  
Economic Science  
Report of the Trustees (Continued)**

**Investment and Borrowing Powers**

The Trustees have unrestricted powers of investment and borrowing subject only to the current statutory controls.

**Reserves**

Free Reserves at 31 March 2004 consisted of the total Funds £11,015,964 less tangible Fixed Assets £9,011,721 and investment in Subsidiary of £7,002, and amounted to £1,997,241. Of this there is a long term loan to The Independent Educational Association of £1,650,000, so the free reserves at 31 March 2004 were £347,241.

The free reserves are therefore below the lower end of the Charity Commission's recommended level of between 6 months and 2 years expenditure, which is the level the Charity seeks to maintain. Steps being taken to address this situation are set out in a previous section to this report.

**Risk**

Work on investigating and taking steps to mitigate risks to which the Charity is or may be exposed, together with the establishment of a comprehensive risk management structure and procedure guideline, has continued throughout the year. Risk management specialists have now been appointed in respect of most categories and the remaining appointments will take place shortly. In March and April 2004 a risk review of all categories was undertaken by the Executive Committee under the guidance of the Fellowship's Risk Manager, in order to assess the respective levels of risk. Some red risk areas were identified and steps are being taken to mitigate these as quickly as possible. The risk management structure and procedures serve as a framework within which members of the Executive Committee carry out regular reviews and report, by exception, to each Executive Committee meeting.

**The Fellowship of the School of  
Economic Science  
Report of the Trustees (Continued)**

**Other Relevant Information**

**Principal Address and Principal Office**

11/13 Mandeville Place  
London W1U 3AJ

**Principal Bankers**

National Westminster Bank plc  
2a Charing Cross Road  
London WC2H 0NN

**Principal Solicitors**

Field Fisher Waterhouse  
34 Vine Street  
London EC3N 2AA

**Auditors**

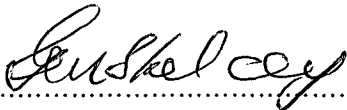
Oury Clark Chartered Accountants  
Registered Auditors  
Herschel House  
58 Herschel Street  
Slough  
Berkshire SL1 1PG

**Principal Investment Advisers**

Gerrard Limited  
2 Lambeth Hill  
London EC4V 4GG

Approved by the Trustees on 23<sup>rd</sup> July 2004  
And signed on their behalf by:

G. Skelcey .....



Chairman

M. Kettle .....



Treasurer

# **Report of the Independent Auditors' to the Trustees of The Fellowship of the School of Economic Science**

We have audited the financial statements on pages 7 to 19, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 13 and 14.

This report is made solely to the Fellowship's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Fellowship's Trustees 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 Fellowship and the Fellowship's Trustees as a body, for our audit work, for this report or for the opinions we have formed.

## **Respective Responsibilities of the Trustees and the Auditors**

As described in the Statement of Trustees' Responsibilities on page 2 you are responsible as trustees for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Annual Report, 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**

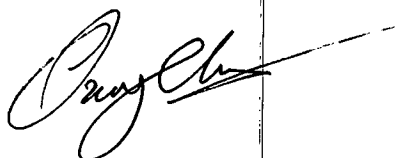
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the Accounting Policies are appropriate to the Fellowship's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charity (as consolidated) and the charity as at 31 March 2004 and of the consolidated and charity incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

**Oury Clark**  
Chartered Accountants & Registered Auditors  
Herschel House  
58 Herschel Street  
Slough  
Berkshire, SL1 1PG



Date: 23 July 2004



**The Fellowship of the School of  
Economic Science  
Consolidated Statement of Financial Activities  
(Including Waterperry Gardens Limited)  
For the year ended 31<sup>st</sup> March 2004**

	Note	Unrestricted £	Restricted £	Total 31.3.04 £	Total 31.3.03 £
<b>Incoming Resources</b>					
Courses and Lectures:					
Fees		1,079,098	-	1,079,098	1,064,312
Incoming from Supporting activities		292,871	-	292,871	281,649
Donations and gifts		188,010	-	188,010	134,372
Legacies		-	-	-	-
Income from quoted investments		2,272	-	2,272	2,483
Bank and other interest		9,102	-	9,102	36,660
Art in Action		545,476	-	545,476	590,973
Other income		129,339	-	129,339	86,941
Turnover from Trading Subsidiary	11	1,248,720	-	1,248,720	1,210,448
		<u>3,494,888</u>	<u>-</u>	<u>3,494,888</u>	<u>3,407,841</u>
<b>Resources Expended</b>					
Direct charitable expenditure:					
Functional costs		1,049,936	-	1,049,936	963,125
Art in Action		529,521	-	529,521	561,943
Donations		-	-	-	-
Support costs	2	199,335	-	199,335	193,598
Operating costs of trading subsidiary	11	1,209,206	-	1,209,206	1,178,301
		<u>2,987,998</u>	<u>-</u>	<u>2,987,998</u>	<u>2,896,967</u>
Other expenditure:					
Publicity		190,722	-	190,722	186,557
Management and administration	3	391,659	-	391,659	410,497
		<u>3,570,379</u>	<u>-</u>	<u>3,570,379</u>	<u>3,494,021</u>
<b>Total Resources Expended</b>					
<b>Net (Outgoing)/Incoming Resources Before Transfers</b>		<u>(75,491)</u>	<u>-</u>	<u>(75,491)</u>	<u>(86,180)</u>
<b>Gross Transfers between Funds</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Outgoing Resources Before Revaluation and Investment Asset Disposals</b>		<u>(75,491)</u>	<u>-</u>	<u>(75,491)</u>	<u>(86,180)</u>
<b>Gains and Losses on Investment Assets</b>					
(Realised losses)		(1,100)	-	(1,100)	(4,369)
Unrealised gains/(losses)		14,148	-	14,148	(12,455)
		<u>(62,443)</u>	<u>-</u>	<u>(62,443)</u>	<u>(103,004)</u>
<b>Net Outgoing Resources For the Year</b>		<u>(62,443)</u>	<u>-</u>	<u>(62,443)</u>	<u>(103,004)</u>
Fund balances brought Forward at 1 April 2003		<u>11,431,040</u>	<u>-</u>	<u>11,431,040</u>	<u>11,534,004</u>
<b>Fund Balances Carried Forward at 31 March 2004</b>		<u>11,368,597</u>	<u>-</u>	<u>11,368,597</u>	<u>11,431,040</u>

All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing activities.

**The Fellowship of the School of  
Economic Science  
Charity Statement of Financial Activities  
(Excluding Waterperry Gardens Limited)  
For the year ended 31<sup>st</sup> March 2004**

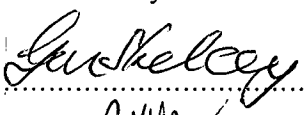
	Note	Unrestricted £	Restricted £	Total 31.3.04 £	Total 31.3.03 £
<b>Incoming Resources</b>					
Courses and Lectures:					
Fees		1,079,098	-	1,079,098	1,064,315
Incoming from Supporting activities		292,871	-	292,871	281,649
Donations and gifts		188,010	-	188,010	134,372
Legacies		-	-	-	-
Income from quoted investments		2,272	-	2,272	2,483
Bank and other interest		8,350	-	8,350	36,660
Art in Action		545,476	-	545,476	590,973
Other income		157,633	-	157,633	110,954
		<u>2,273,710</u>	<u>-</u>	<u>2,273,710</u>	<u>2,221,406</u>
<b>Resources Expended</b>					
Direct charitable expenditure:					
Functional costs		1,074,936	-	1,074,936	988,125
Art in Action		529,521	-	529,521	561,943
Support Costs	2	199,335	-	199,335	193,598
Donations		-	-	-	-
		<u>1,803,792</u>	<u>-</u>	<u>1,803,792</u>	<u>1,743,666</u>
Other expenditure:					
Publicity		190,722	-	190,722	186,557
Management and administration	3	391,659	-	391,659	410,497
<b>Total Resources Expended</b>	4	<u>2,386,173</u>	<u>-</u>	<u>2,386,173</u>	<u>2,340,720</u>
<b>Net Incoming / (Outgoing) Resources before Transfers</b>		(112,463)	-	(112,463)	(119,314)
<b>Gross Transfers between Funds</b>		-	-	-	-
<b>Net (Outgoing)/Incoming Resources Before Revaluations and Investment Asset Disposals</b>		(112,463)	-	(112,463)	(119,314)
<b>Gains and Losses on Investment Assets</b>					
Realised losses		(1,100)	-	(1,100)	(4,369)
Unrealised gains/(losses)		14,148	-	14,148	(12,455)
<b>Net Movement in Funds</b>		( 99,415)	-	( 99,415)	(136,138)
<b>Total Fund balances brought Forward at 1 April 2003</b>		<u>11,115,379</u>	<u>-</u>	<u>11,115,379</u>	<u>11,251,517</u>
<b>Fund Balances Carried Forward at 31 March 2004</b>		<u>11,015,964</u>	<u>-</u>	<u>11,015,964</u>	<u>11,115,379</u>


All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing activities.

**The Fellowship of the School of  
Economic Science  
Consolidated Balance Sheet at 31 March 2004  
(Including Waterperry Gardens Limited)**

	Note	2004 £	2004 £	2003 £	2003 £
<b>Fixed Assets</b>					
Tangible fixed assets	9		9,251,237		9,311,385
Investments	12		<u>159,826</u>		<u>56,734</u>
			9,411,063		9,368,119
<b>Current Assets</b>					
Stocks		351,823		348,341	
Debtors:					
Inland Revenue claims		7,525		21,520	
Other debtors	13	1,789,639		1,800,455	
Cash at bank in hand		<u>415,912</u>		<u>664,818</u>	
		<u>2,564,899</u>		<u>2,835,134</u>	
<b>Creditors: Amounts falling due within one year</b>					
Other loans	14	81,435		228,112	
Fees received in advance		7,424		9,080	
Other creditors and accruals		<u>376,056</u>		<u>385,021</u>	
		<u>464,915</u>		<u>622,213</u>	
<b>Net Current Assets</b>			2,099,984		2,212,921
			<u>11,511,047</u>		<u>11,581,040</u>
<b>Creditors: Amounts falling due after one year</b>					
Other loans			<u>142,450</u>		<u>150,000</u>
			<u>11,368,597</u>		<u>11,431,040</u>
<b>Funds</b>					
Restricted			-		-
Unrestricted funds:					
Designated	15	40,373		26,957	
Undesignated		11,328,224		11,088,422	
Non charitable funds		-		315,661	
			<u>11,368,597</u>		<u>11,431,040</u>

Approved by the Trustees on 23<sup>rd</sup> July 2004  
And signed on their behalf by:

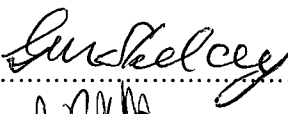
G. Skelcey .....  Chairman


M. Kettle .....  Treasurer

**The Fellowship of the School of  
Economic Science  
Charity Balance Sheet at 31 March 2004  
(Excluding Waterperry Gardens Limited)**

	Note	2004 £	2004 £	2003 £	2003 £
<b>Fixed Assets</b>					
Tangible fixed assets	9		9,011,721		9,129,096
Investment in subsidiary	11		7,002		7,002
Investments	12		<u>159,826</u>		<u>56,734</u>
			9,178,549		9,192,832
<b>Current Assets</b>					
Stocks		116,646		101,983	
Debtors:					
Inland Revenue claims		7,525		21,520	
Other debtors	13	1,802,948		1,818,587	
Cash at bank in hand		<u>393,212</u>		<u>651,549</u>	
		<u>2,320,331</u>		<u>2,593,639</u>	
<b>Creditors: Amounts falling due within one year</b>					
Bank overdrafts and loans (secured)		-		-	
Other loans	14	81,435		228,112	
Fees received in advance		7,424		9,080	
Other creditors and accruals		<u>254,057</u>		<u>283,900</u>	
		<u>342,916</u>		<u>521,092</u>	
<b>Net Current Assets</b>					
			<u>1,977,415</u>		<u>2,072,547</u>
			11,155,964		11,265,379
<b>Creditors: Amounts falling due after one year</b>					
Other loans	14		<u>140,000</u>		<u>150,000</u>
			<u>11,015,964</u>		<u>11,115,379</u>
<b>Funds</b>					
Restricted			-		-
Unrestricted funds:					
Designated	16		40,373		26,957
Undesignated			<u>10,975,591</u>		<u>11,088,422</u>
			<u>11,015,964</u>		<u>11,115,379</u>

Approved by the Trustees on 23<sup>rd</sup> July 2004  
And signed on their behalf by:

G. Skelcey  ..... Chairman

M. Kettle  ..... Treasurer

**The Fellowship of the School of  
Economic Science  
Consolidated Cash Flow Statement  
For the year ended 31 March 2004**

	2004 £	2004 £	2003 £	2003 £
<b>Net Cash Inflow from Operating Activities (Note 1)</b>		235,185		221,724
<b>Returns on Investment and Servicing of Finance</b>				
Interest paid	(3,034)		(19)	
Interest received	9,102		36,660	
Dividends received	2,272		2,483	
<b>Net Cash Inflow from Returns on Investment and Servicing of Finance</b>		8,340		39,124
<b>Investing Activities</b>				
Payments to acquire Fixed Assets	(248,160)		(1,700,977)	
Receipts from sale of Fixed Assets	-		-	
Payments to acquire investments	(102,924)		(10,858)	
Receipts from sale of investments	12,880		36,882	
<b>Net Cash (Outflow) /Inflow from Investing Activities</b>		(338,204)		(1,674,953)
<b>Net Cash (Outflow)/Inflow before Financing</b>		(94,679)		(1,414,105)
<b>Financing</b>				
Loans Acquired	-		-	
Loans repaid	(154,227)		(26,927)	
<b>Net Cash Outflow from Financing (Note 3)</b>		(154,227) (248,906)		(26,927) (1,441,032)
<b>(Decrease)/Increase Cash and Cash Equivalents (Note 2)</b>		(248,906)		(1,441,032)

**The Fellowship of the School of  
Economic Science  
Notes to the Cash Flow Statement  
For the year ended 31 March 2004**

**1 Reconciliation of Net Incoming Resources before  
Revaluation and Investment Disposals per the  
Consolidated Statement of Financial Activities to  
Net Cash Inflow/(Outflow) from Operating  
Activities**

	2004 £	2003 £
Operating surplus/(deficit)	(75,491)	(86,180)
Depreciation charges	308,308	305,976
(Profit) on disposal of fixed assets	-	-
(Increase)/decrease in stocks	(3,482)	(39,433)
(Increase) / decrease in debtors	24,811	54,663
Increase/(decrease) in creditors	(10,621)	25,822
Interest received	(9,102)	(36,660)
Dividends received	(2,272)	(2,483)
Interest paid	3,034	19
	<u>235,185</u>	<u>221,724</u>

**2 Analysis of Changes in Cash and Cash Equivalents  
during the Year**

	2004 £	2003 £	Movement in year £
Cash at bank and in hand	<u>415,912</u>	<u>664,818</u>	<u>(248,906)</u>

**3 Analysis of Changes in Financing during the Year**

	2004 £	2003 £	Movement in year £
Secured loan	3,000	4,679	1,679
Other loans	<u>220,885</u>	<u>373,433</u>	<u>152,548</u>
	<u>223,885</u>	<u>378,112</u>	<u>154,227</u>

**4 Analysis of Net Debt**

	At 31 March 2003 £	Cash Flow £	At 31 March 2004
Cash in hand, at bank	664,818	(248,906)	415,912
Debt due after one year	(150,000)	7,550	(142,450)
Debt within one year	<u>(228,112)</u>	<u>146,677</u>	<u>(81,435)</u>
Total	<u>286,706</u>	<u>(94,679)</u>	<u>192,027</u>

**5 Reconciliation of Net Cash Flow to Movement in  
Net Debt**

	£	£
Decrease in cash in the period	(248,906)	
Cash outflow from decrease in debt financing	<u>154,227</u>	(94,679)
Change in net funds resulting from cash flows		
Net debt at 1 <sup>st</sup> April 2003		<u>286,706</u>
Net debt at 31 <sup>st</sup> March 2004		<u>192,027</u>

**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004**

**1. Accounting Policies**

**Accounting Convention**

The group accounts consolidate the accounts of the Fellowship of the School of Economic Science and its subsidiary company, Waterperry Gardens Limited on a line by line basis. The subsidiary's accounts are made up to 31 December 2003 (for the reason stated in note 11).

The accounts are prepared in accordance with the recommendations of the Statement of Recommended Practice for Charities (SORP) and other applicable accounting standards and under the historical cost convention as modified by the revaluation of investments.

**Income**

- i) Fees are taken to income in the year to which they relate.
- ii) Endowments, donations, interest and other income are taken to income in the year of receipt or in the case of endowments, when legal title is established and the amount is capable of measurement.
- iii) Donations under deed of covenant and gift aid, together with the associated income tax recovery, are taken to income when the donations are received.
- iv) The unutilised portion of deposited deeds of covenant is included in the balance sheet as liabilities. The yearly covenanted amounts, together with the associated income tax recovery, are taken to income on the due date for payment under the deed of covenant.

**Expenditure**

Expenditure, which is charged on an accruals basis, is allocated as follows:

- i) Functional costs – expenditure incurred directly in the fulfilment of the objects of the charity.
- ii) Support costs – expenditure incurred wholly or mainly in support of the charity's day and residential courses, including a proportion of overheads.
- iii) Publicity costs – expenditure incurred in educating and informing governments, organisations, and members of the public on matters relating to the objects of the charity.
- iv) Administration costs – expenditure incurred in running and administering the charity, and which is not directly attributable to charitable activities, publicity or fund raising.

**Depreciation**

Tangible fixed assets are depreciated over their estimated useful lives as follows:

Freehold and long leasehold property	2% on cost
Improvements	5% - 10% on cost
Motor vehicles	25% on cost
Equipment etc.	10% - 25% on cost

Generally, equipment is capitalised if over £1,000 cost, but there is some leeway for smaller branches.

Certain temporary items of equipment included in equipment have been written off at the rate of 50% on cost.

**Stocks**

Stocks are stated at the lower of the cost and net realisable value.

**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004 (Continued)**

**Fund Accounting**

The general fund consists of those funds which the charity may use in furtherance of its charitable objectives at the discretion of the Trustees. Certain of these funds may be set aside by the Trustees for specific purposes and described as Designated Funds.

**2 Support Costs**

	2004 £	2003 £
Bookshop	80,792	80,455
Catering	75,884	74,597
Meetings	26,819	19,479
Sound Recording	2,610	2,999
Economics	9,759	13,659
Art	3,471	2,409
	<u>199,335</u>	<u>193,598</u>

**3 Management and Administration**

	2004 £	2003 £
Audit fees	10,694	10,531
Bank interest and charges	14,948	11,132
Motor expenses	9,950	11,584
Travelling	7,391	3,533
Salaries	224,174	206,600
VAT unrecovered	2,402	57,941
Other administration costs	121,016	109,176
	<u>391,659</u>	<u>410,497</u>

**4 Total Resources Expended**

	Staff Costs £	Depreciation £	Other Costs £	Total 2004 £	Total 2003 £
Direct charitable expenditure	45,956	240,970	1,516,865	1,803,791	1,743,666
Publicity	-	-	190,723	190,723	186,557
Management and administration	224,174	10,380	157,105	391,659	410,497
	<u>270,130</u>	<u>251,350</u>	<u>1,864,693</u>	<u>2,386,173</u>	<u>2,340,720</u>

Group direct charitable expenditure on other costs excludes £8,500 paid to Waterperry Gardens Limited for services rendered net of rent received.

**5 Staff Emoluments**

	2004	2003
Average numbers (including part-timers)	<u>21</u>	<u>20</u>
Gross pay	232,923	216,629
Social security costs	22,536	16,729
Other pension costs (note 6)	14,671	13,442
	<u>270,130</u>	<u>246,800</u>

No employee was paid at the rate of more than £40,000 p.a.



**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004 (Continued)**

**6 Pensions**

The Fellowship does not operate an independent scheme, but contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. There is also a stakeholder pension scheme available, with Norwich Union.

**7. Trustees**

No Trustee received any remuneration from the Fellowship nor any reimbursement of expenses incurred.

Trustees' Indemnity Insurance

Premiums under an authorised scheme for which cover is for £1,000,000 in aggregate

2004 £	2003 £
<u>1,260</u>	<u>3,412</u>

**8 Changes in Resources Available for Charity Use**

Net movement in funds for the year  
Net decrease in tangible fixed assets

Unrestricted Funds £
(112,463)
<u>60,148</u>
<u>(52,315)</u>

Net decline in funds available for future activities

**9 Tangible Fixed Assets (all in UK)**

Group	Freehold Property	Property Course of Acquisition	Leasehold Property	Equipment Etc.	Total
Cost	£	£	£	£	£
Balance at 1 April 2003	9,593,736		79,733	1,233,666	10,907,135
Additions	66,840	17,500	48,522	115,298	248,160
Disposals	-	-	-	(8,995)	(8,995)
Balance at 31 March 2004	<u>9,660,576</u>	<u>17,500</u>	<u>128,255</u>	<u>1,339,969</u>	<u>11,146,300</u>
<b>Depreciation</b>					
Balance at 1 April 2003	625,417	-	42,997	927,336	1,595,751
Charge for the year	193,561	-	11,251	103,496	308,308
Disposals	-	-	-	(8,995)	(8,995)
Balance at 31 March 2004	<u>818,978</u>	<u>-</u>	<u>54,248</u>	<u>1,021,837</u>	<u>1,895,063</u>
<b>Net Book Value</b>					
At 31 March 2004	<u>8,841,598</u>	<u>17,500</u>	<u>74,007</u>	<u>318,132</u>	<u>9,251,237</u>
At 31 March 2003	<u>8,968,319</u>	<u>-</u>	<u>36,736</u>	<u>306,398</u>	<u>9,311,385</u>

**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004 (Continued)**

**9 Tangible Fixed Assets (continued)**

Charity	Freehold Property	Property In course Acquisition	Leasehold Property	Equipment Etc.	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 April 2003	9,593,736	-	13,441	741,409	10,348,586
Additions	66,840	17,500	-	49,635	133,975
Disposals	-	-	-	-	-
Balance at 31 March 2004	<u>9,660,576</u>	<u>17,500</u>	<u>13,441</u>	<u>791,044</u>	<u>10,482,561</u>
<b>Depreciation</b>					
Balance at 1 April 2003	625,417	-	1,882	592,191	1,219,490
Charge for the year	193,561	-	269	57,520	251,350
Disposals	-	-	-	-	-
Balance at 31 March 2004	<u>818,978</u>	<u>-</u>	<u>2,151</u>	<u>649,711</u>	<u>1,470,840</u>
<b>Net Book Value</b>					
At 31 March 2004	<u>8,841,598</u>	<u>17,500</u>	<u>11,290</u>	<u>141,333</u>	<u>9,011,721</u>
At 31 March 2003	<u>8,968,319</u>	<u>-</u>	<u>11,558</u>	<u>149,219</u>	<u>9,129,096</u>

All assets are used in furtherance of the charitable activities of the organisation.

**10 Capital Commitments**

At 31 March 2004, the only capital expenditure commitment related to the final balance of £157,500 due on the acquisition of a property (2003 – Nil).

**11 Investments in Subsidiary**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Share Capital	<u>7,002</u>	<u>7,002</u>

Waterperry Gardens Limited is a wholly owned subsidiary, its shares having been subscribed by members of the Fellowship in their personal capacity and then donated to the Fellowship. The Fellowship has leased the relevant premises to Waterperry Gardens Limited. Included in Debtors is a short term loan in lieu of overdraft requirements amounting to £56,794 (2003 - £77,000) which has since been repaid. £30,000 of this loan was repaid in the period between 31 December 2003 and 31 March 2004 and has not been eliminated on consolidation.

**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004 (Continued)**

The principal activity of Waterperry Gardens Limited is horticulture. A summary of the trading results for the year is set out below. Audited accounts for the year ended 31 December 2003 have been filed with the Registrar of Companies. It is not possible for commercial reasons to bring the year end of the company into line with that of the charity.

	2004 £	2003 £
Turnover	1,273,720	1,210,448
Operating expenses	(1,212,239)	(1,172,114)
Gift aid to The Fellowship of the School of Economic Science	(10,000)	(5,000)
	51,481	33,334
Interest payable	(1,794)	(2,584)
Interest receivable	752	311
Net profit for the year before taxation	50,439	31,061
Taxation	(13,467)	2,073
Net profit for the year retained by the Company	36,972	33,134
Less: Elimination of transactions with the Fellowship	3,294	(987)
	<u>40,266</u>	<u>32,147</u>
Included in Consolidated SOFA		

**12 Investments**

	Quoted Securities	Unquoted Investment £	Gift of Silver £	Total £
Market value at 1 April 2003	55,476	-	1,258	56,734
Disposals at opening book value (Proceeds £12,880; loss £1,100)	(12,722)	-	(1,258)	(13,980)
Additions	102,924	-	-	102,924
Net profit on revaluation	14,148	-	-	14,148
	<u>159,826</u>	<u>-</u>	<u>-</u>	<u>159,826</u>
Market value at 31 March 2004				
	<u>54,740</u>	<u>-</u>	<u>-</u>	<u>54,740</u>

All the Quoted Securities were listed on a UK Stock Exchange.

**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004 (Continued)**

**12 Investments Continued**

Material Investments (more than 5% of portfolio)

	Holding	2004 Market Value £	2004 Cost £
Berkshire Hathaway Inc	2	101,248	99,728
M&G Securities Limited – Charibond Inc. – F.I. Bond Funds	7,000	8,939	8,746
M&G Securities Limited – Charifund Inc. – Equities Unit Trust	1,750	18,906	19,055
Alliance Trust Ordinary Shares of 25p each	370	9,509	8,556
Foreign & Colonial Trust Ordinary Shares of 25p each	3600	6,588	5,515
Halifax Group plc Ord. Shares of 20p each	1092	8,059	7,915
Fidelity Spec. Value Ord. Shares of 25p each	280	5,765	4,603

**13 Debtors**

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Subsidiary company	28,963	35,000	66,794	77,513
Trade debtors	12,108	14,080	-	-
Prepayments	7,044	38,111	9,704	35,294
Accrued income	13,078	11,200	13,078	11,200
Other debtors	63,372	44,580	63,372	44,580
Deferred Taxation	5,074	7,484	-	-
Loan to The Independent Educational Association Limited	1,650,000	1,650,000	1,650,000	1,650,000
	<u>1,789,639</u>	<u>1,800,455</u>	<u>1,802,948</u>	<u>1,818,587</u>

**14 Creditors**

None of the creditors have terms of repayment in excess of one year, except other loans.

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Other loans:				
Repayable within one year	81,435	228,112	81,435	228,112
After one year	142,450	150,000	140,000	150,000
	<u>223,885</u>	<u>378,112</u>	<u>221,435</u>	<u>378,112</u>

**The Fellowship of the School of  
Economic Science  
Notes to the Accounts  
For the year ended 31 March 2004 (Continued)**

**15 Funds**

Charity	Designated Profits on Uncompleted Sales £	Restricted Waterperry Development Fund £	Restricted Mandeville Place Fund £	Designated Loan Fund £	Total £
Balance brought forward	-	-	-	26,957	26,957
Incoming resources	-	-	-	2,234	2,234
Resources expended	-	-	-	(440)	(440)
Profit on investment assets	-	-	-	6,735	6,735
Transfer to/(from)	-	-	-	-	-
Undesignated Funds	-	-	-	4,887	4,887
	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,373</u>	<u>40,373</u>

**16 Analysis of Charity Net Assets Between Funds**

	Designated £
Tangible fixed assets	
Investments	49,707
Current Assets	666
Creditors falling due within one year	(10,000)
Creditors falling due after one year	-
	<u>40,373</u>
Unrealised Gains included above:	
On investments	<u>3,232</u>

**The Fellowship of the School of Economic Science**  
**Appendix to the Accounts**  
**Year ended 31 March 2004**

**1. Detailed Income and Expenditure Account for London and Other Branches**

	31/03/04	31/03/04	31/03/04	31/03/03	31/03/03	31/03/03
	Income	Expense	Net	Income	Expense	Net
	£	£	£	£	£	£
Fees,	859,843	-	859,843	840,228	-	840,228
Interest/Dividends	8,350	-	8,350	34,188	-	34,188
Overseas schools	6,601	-	6,601	1,749	-	1,749
Other income	81,736	-	81,736	48,463	-	48,463
			<b>956,530</b>			<b>924,628</b>
Bookshop	105,217	80,792	24,425	104,915	80,455	24,460
Catering	129,771	75,884	53,887	122,660	74,597	48,063
Meetings	44,402	26,819	17,583	31,609	19,479	12,130
Sound recording	4,816	2,610	2,206	6,598	2,999	3,599
Economics	8,665	9,759	(1,094)	15,399	13,659	1,740
Waterperry House	63,328	282,407	(219,079)	75,168	236,763	(161,595)
Nanpantan Hall	111,363	107,309	4,054	105,570	97,547	8,023
Brinscall Hall	44,563	31,887	12,676	43,349	31,099	12,250
Art in Action	545,476	529,521	15,955	593,173	561,943	31,230
Other	65,922	76,222	(10,300)	56,093	65,278	(9,185)
<b>Total Net Income</b>			<b>856,843</b>			<b>895,343</b>
Advertising	-	190,723	(190,723)	-	186,557	(186,557)
Accommodation - London	-	170,767	(170,767)	4,076	164,776	(160,700)
Accommodation -						
Branches	-	215,985	(215,985)	-	202,928	(202,928)
Audit fees	-	10,694	(10,694)	-	10,531	(10,531)
Bank interest & charges	-	14,948	(14,948)	-	11,132	(11,132)
Motor Expenses	-	9,950	(9,950)	-	11,584	(11,584)
Travelling	-	7,491	(7,491)	-	3,533	(3,533)
Salaries	-	224,174	(224,174)	-	206,600	(206,600)
Administration - London	-	88,552	(88,552)	1,041	89,203	(88,162)
Administration - Branches	-	33,006	(33,006)	-	19,621	(19,621)
VAT disallowed	-	2,402	(2,402)	-	57,941	(57,941)
<b>(Deficit) before gifts</b>			<b>(111,849)</b>			<b>(63,946)</b>
Endowments	67,240	-	67,240	77,636	-	77,636
Donations	120,770	-	120,770	11,661	-	11,661
<b>Surplus (Deficit) after gifts</b>			<b>76,161</b>			<b>25,351</b>
Depreciation of freehold property		193,830	(193,830)		192,143	(192,143)
<b>Net (deficit) on running account</b>			<b>(117,669)</b>			<b>(166,792)</b>
Add special income and expenditure:						
Revenue from sale of furniture	3,375	-	3,375	-	-	-
Legacies	-	-	-	-	-	-
Income from quoted investments	2,272	441	1,831	2,755	352	2,403
Donation to Mandeville Place	-	-	-	40,833	-	40,833
Donations for Waterperry building	-	-	-	4,242	-	4,242
<b>Net Incoming / (Outgoing) Resources</b>	<b>2,273,710</b>	<b>2,386,173</b>	<b>(112,463)</b>	<b>2,221,406</b>	<b>2,340,720</b>	<b>(119,314)</b>

Note: The totals are the Total Incoming Resources, Total Resources Expended and Net Incoming Resources before Revaluations and Investment Asset Disposals (excluding Waterperry Gardens Ltd) shown on page 8.

**The Fellowship of the School of Economic Science**  
**Appendix to the Accounts**  
**Year ended 31 March 2004**

**2. Detailed Income and Expenditure Account for London's Activities**

	Income £	2003/4 Costs £	Net £	Income £	2002/3 Costs £	Net £
Fees	537,823			518,255		
Endowments	43,934			32,246		
Donations	96,162			1,874		
Interest & dividends	9,291			35,322		
Branch charges	17,997			17,799		
Overseas schools	6,601			1,749		
WGL interest & gift aid	11,794			7,513		
Rent received at Mandeville	17,044			-		
Other income	39,860			29,508		
	<b>780,506</b>		<b>780,506</b>	<b>644,266</b>		<b>644,266</b>
Bookshop	75,189	56,285	18,904	73,850	54,714	19,136
Catering	109,946	63,750	46,196	102,300	57,332	44,968
Meetings	5,500	4,843	657	5,197	3,002	2,195
Sound & recording	4,816	2,610	2,206	6,598	2,999	3,599
Economics	8,665	9,759	(1,094)	15,399	13,659	1,740
Waterperry House	63,444	282,488	(219,044)	75,168	236,763	(161,595)
Nanpantan Hall	111,363	107,309	4,054	105,570	97,547	8,023
Symposium	4,693	4,184	509	1,446	2,833	(1,387)
Music	2,310	4,485	(2,175)	7,385	7,304	81
Sanskrit	43,151	44,024	(873)	39,041	39,784	(743)
Art in Action	545,476	529,521	15,955	593,173	561,943	31,230
Art dept.	-	3,470	(3,470)	468	2,409	(1,941)
Renaissance	164	31	133	-	221	(221)
Abhinaya	517	-	517	-	-	-
Convivium publication	11,468	17,010	(5,542)	-	-	-
Other activities	8,054	1,592	6,462	5,109	10,897	(5,788)
Conversations	1,570	1,427	143	2,645	1,830	815
<b>Contribution to overheads</b>	<b>1,776,832</b>	<b>1,132,788</b>	<b>644,044</b>	<b>1,677,615</b>	<b>1,093,237</b>	<b>584,378</b>
Accommodation- London	-	170,767		4,076	164,776	
Advertising	-	93,096		-	94,217	
Salaries	-	224,174		-	206,600	
Central admin. costs	-	64,467		1,041	80,286	
Audit fees	-	10,674		-	10,531	
Bank interest	-	58		-	12	
Bank charges	-	10,976		-	9,125	
Motor expenses	-	9,950		-	11,584	
Travelling	-	6,355		-	561	
Unrecovered VAT	-	2,403		-	43,077	
Overseas leaders' visits	-	24,665		-	-	
Interest paid to branches	-	25,380		-	24,810	
<b>Total overheads</b>	<b>-</b>	<b>642,965</b>	<b>642,965</b>	<b>5,177</b>	<b>645,579</b>	<b>640,462</b>
<b>Net Surplus/ (Deficit) for Year before Freehold Depreciation &amp; Exceptional Items</b>			<b>1,079</b>			<b>(56,084)</b>

Note: This schedule shows the main financial activities making up the figures for London stated on page 23.

**The Fellowship of the School of**

**Economic Science  
Appendix to the Accounts  
Year ended 31 March 2004**

**3. Fixed Assets**

<b>Charity</b>	<b>Cost or Nominal Value £</b>	<b>Additions (Disposals) During Year £</b>	<b>Cost of Nominal Value 31.3.04 £</b>	<b>Accumulated Depreciation &amp; Amortisation £</b>	<b>Net Book Value 31.3.04 £</b>
<b>Freehold Property</b>					
St. Oswald's Studios, London	80,833	-	80,833	12,934	67,899
Sarum Chase, London	120,230	-	120,230	18,969	101,261
83 Brook Green, London	329	-	329	51	278
Waterperry, Oxford	2,768,228	34,810	2,803,038	317,912	2,485,126
Nanpantan Hall, Loughborough	433,083	-	433,083	66,517	366,566
Brinscall Hall, Preston	78,537	-	78,537	12,564	65,973
Chappel Allerton Hall, Leeds	40,246	-	40,246	6,440	33,806
13 Addiscombe Grove, E.Croydon	310,307	11,875	322,182	37,489	284,693
18 Chester Street, Edinburgh	36,556	-	36,556	5,849	30,707
265A Portsmouth Road, Guildford	360,222	17,864	378,086	47,413	330,673
Mandeville Place	5,364,836	2,291	5,367,127	292,790	5,074,337
Baker Street, Stockport	-	17,500	17,500	-	17,500
<b>Reversionary Interest</b>					
87 Brook Green, London	329	-	329	51	278
<b>Long Lease</b>					
78 Carterknowle St., Sheffield	13,441	-	13,441	2,151	11,290
	<u>9,607,176</u>	<u>84,340</u>	<u>9,691,517</u>	<u>821,129</u>	<u>8,870,387</u>
<b>Improvements</b>					
Waterperry House	74,664	-	74,664	66,130	8,534
Waterperry Estate	111,810	17,396	129,206	113,550	15,656
Waterperry Art in Action	34,671	1,530	36,201	25,035	11,166
	<u>221,145</u>	<u>18,926</u>	<u>240,071</u>	<u>204,715</u>	<u>35,356</u>
<b>Equipment etc.</b>					
London Houses	235,936	16,594	252,530	197,124	55,405
Nanpantan	51,666	3,888	55,554	46,740	8,814
Waterperry	77,265	8,201	85,466	58,223	27,243
Art in Action	27,303	-	27,303	25,397	1,906
Branches	80,510	2,026	82,536	70,621	11,915
Library	694	-	694	-	694
Motor vehicles	46,890	-	46,890	46,890	-
	<u>520,264</u>	<u>30,709</u>	<u>550,973</u>	<u>444,996</u>	<u>105,977</u>
	<u>10,348,586</u>	<u>133,975</u>	<u>10,482,562</u>	<u>1,470,840</u>	<u>9,011,721</u>



# The Fellowship of the School of

## Economic Science Appendix to the Accounts Year ended 31 March 2004

### 4. Branches

The Assets and Liabilities and Income and Expenditure of the Branches have been incorporated in these accounts. The respective contributions to Income and Expenditure were:

	2004 £	2003 £
London	1,079	(56,084)
Bath	1,860	1,082
Sussex	2,910	2,602
Bristol	3,926	5,140
Cambridge	(1,115)	(73)
Croydon	2,755	11,134
Devon	290	(315)
East Anglia	5,499	13,105
Scotland	13,736	8,217
Guildford	18,865	12,252
Kent	677	1,250
Lincoln	172	102
North East	105	3,652
North West	5,190	(5,108)
Oxford	492	1,676
Berkshire	9,793	11,069
St. Albans	1,147	2,306
Wessex	6,891	7,891
West Midland	7,095	7,856
	<hr/>	<hr/>
Less: Depreciation freehold property	81,367 (193,830)	27,754 (192,143)
<b>Reconciliation with Final Deficit</b>		
Legacies	-	-
Unrestricted fund	(115,838)	(164,389)
Development fund	-	45,075
<b>Deficit per page 20</b>	<u>(112,463)</u>	<u>(119,314)</u>

**The Fellowship of the School of  
Economic Science  
Appendix to the Accounts  
Year ended 31 March 2004**

**5. Movement of Funds (Continued)**

**Loan Fund**

Balance at 1 April 2003  
Revaluation of investments  
Profit on sales  
Income

**2004**

**£**

26,957

6,577

158

6,681

**2003**

**£**

40,030

(11,107)

(4,369)

2,403

Balance at 31 March 2004

40,373

26,957

**Development Fund**

Balance at 1 April 2003  
Gift Aid and Donations

**Waterperry  
Restricted**

**£**

-

-

**Mandeville  
Place  
Restricted**

**£**

**2004**

**£**

-

-

**2003**

**£**

-

45,075

45,075

Less: Transfer to General Fund

-

-

(45,075)

Balance at 31 March 2004

-

-

-

**General Fund**

Balance at 1 April 2003  
Less: Deficit Income and Expenditure  
Revaluation of investments  
Transfer to Designated Fund  
Transfer from Development Funds:  
    Restricted  
    Designated

**2004**

**£**

11,088,422

(98,683)

14,148

-

-

-

-

10,975,591

**2003**

**£**

11,211,487

(166,792)

(1,348)

-

-

45,075

-

11,088,422