

**The Fellowship of the School of
Economic Science**

Financial Statements

for the

Year Ended 31 March 2005

**The Fellowship of the School of
Economic Science**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2005**

	Page
Report of the Trustees	1
Report of the Independent Auditors	6
Consolidated Statement of Financial Activities	7
Charity Statement of Financial Activities	8
Consolidated Balance Sheet	9
Charity Balance Sheet	10
Consolidated Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Accounts	13
Appendix to the Accounts	20

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 March 2005.

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 23 July 2004

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

From 23 July 2004

G.M. Skelcey	Chairman
M. Kettle	Treasurer
P. Watson	Hon. Secretary
J.H. Armstrong	
A. Bryan	
Mrs A. David	
I. Mason	
J. Sinclair	
H.S. Venables	
J. Meltzer	Co-opted 23.7.04

Organisational Structure

The Fellowship consists of 228 Ordinary Members and 13 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, calligraphy, dance, law, medicine, music, religious studies, Renaissance studies, rhetoric and Sanskrit. Symposium events are offered, mainly for students in the first year. The Economics Faculty hosted a public Colloquium with invited speakers and contributions from students in the School.

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. One member of the Executive Committee of the Fellowship is currently a member of the Governing Board of the IEAL. The School also has strong links with the Education Renaissance Trust, another 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 for these and other facilities and activities, apart from the main administrative office functions, on a voluntary basis. A trading surplus from the catering and bookshop facilities provides a significant source of income to the Fellowship. Group tutors provide their services without payment, this being one of the principles on which the School operates.

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. 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 are undertaken by more senior students. In some of the Branches, courses have also been offered on the subjects of "Practical Philosophy for Parents".

The School's headquarters at 11 Mandeville Place, London W1, 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 there is limited hiring of accommodation 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 project has now been completed, and provides a more spacious new access to the kitchen, a new lift serving ground, first and second floors of the building, and an improved access stair to the basement. Other works undertaken include the formation of a new shower and toilet accommodation to the Jacobean wing, refurbishment of the front first floor bathroom, and the replacement of woodworm infested timbers. In February 2005 it was decided to proceed with a further substantial project involving the repair and renewal of roof balustrades together with repair and cleaning of the external surfaces of the main front building. Work continues on the frescoes in the New Hall at Waterperry House and should be completed before the end of 2005, following which this project can be finalised by the laying of a new floor.

The sale of Sarum Chase, Hampstead, was completed on 31 January 2005 at a price of £9.3 million less sale costs and the proceeds of sale have, for the time being, been placed in secure Charity Bonds investments. Future accommodation needs to supplement Mandeville Place are being assessed by the Executive. 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 as and when student numbers and other circumstances justify it.

Following the purchase of a freehold property at Baker Street, Stockport as a new headquarters for the North-West Branch, substantial repair and alteration works have been undertaken to make it available for the needs of the Branch.

The Scottish Branch has continued its search for suitable new accommodation in Edinburgh and Glasgow and is actively pursuing a specific opportunity for expansion space in Edinburgh.

Financial

Total resources increased during the financial year by £8,866,884 as a result of a substantial surplus arising on the sale of Sarum Chase and two legacies amounting to £83,500. If these exceptional income sources are excluded, the charity made an operating loss of £149,566. £74,000 of this deficiency occurred as a result of the charity's major arts festival "Art in Action" not being held at Waterperry in 2004. It was replaced by an event entitled "Art in Essence" held in Central London, which produced a net loss of nearly £15,000. Art in Action will recommence as an annual event in July 2005. Another £27,000 of the deficiency arose from the closure of Waterperry House for several months in 2004 whilst a service lift and other improvements were made to the building.

Total capital additions were £818,922, of which nearly £400,000 was spent on acquiring and improving a new building in Baker Street, Stockport for the North West branch. The works at Waterperry House amounted to £403,437.

Waterperry Gardens Limited had a disappointing year ending 31 December 2004 with turnover down by 5.6% to £1.203 million mainly due to very poor weather in March and April, which are important months for herbaceous

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

plants sales. The introduction of a stock control system highlighted the fact that the company was carrying too much stock, so £27,000 of the £39,000 trading loss was due to stock write-downs. £36,000 capital expenditure incurred on machinery and equipment was more than covered by the £61,000 depreciation provision included in the trading loss. On a cash flow basis the company broken even on the year, but it still needed short term financing support from the parent charity during the 2004/5 winter period. The loan has subsequently been repaid.

Investment and Borrowing Powers

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

Accounting Policy Changes

The charity has altered its accounting policy in respect of buildings depreciation, for which it no longer provides due to the high standard of maintenance over the years, and the book value of the properties is well below their market value. £818,978 cumulative buildings depreciation has been written back to Free Reserves and 2003/4 comparative figures have been amended accordingly.

Reserves

Free reserves at 31 March 2005 consisted of the total funds £20,731,904, less tangible fixed assets £10,477,668 and an investment in a subsidiary company of £7,002, and amounted to £10,247,234. Of this there is a long term loan to The Independent Educational Association of £1,650,000, so the net free reserves at 31 March 2005 were £8,597,234 (2004 - £1,166,219). These reserves are now well above the Charity Commission's recommended level of between 6 months and 2 years expenditure.

Three Branches of the charity raised money from donors in previous years for the purpose of purchasing a local building to hold philosophy and other classes. In these accounts these obligations have been recognised by moving £215,910 from Undesignated to Restricted Funds. £17,934 of the surplus arising in the year was also attributable to these Restricted Funds, which acknowledges that this money should not be used for any other purpose.

The Trustees are considering the need to obtain buildings in London and in other parts of the country, and to have a fund to provide for major repairs and maintenance work on buildings in future. Accordingly, £8,220,911 has been moved from Undesignated to Designated Funds in these accounts. As a result of all the changes mentioned, Undesignated Funds have increased by £442,207 to £12,277,149.

Risk

The major risks to which the charity is exposed have been assessed and appropriate steps are being taken to minimise those risks. Active steps are being taken to complete a comprehensive risk management structure and associated procedures. Risk management review and reporting is a standing item on the agenda for each meeting of the Executive Committee.

**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 19 July 2005
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 2005 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

Oury Clark

Date: 19 July 2005

**The Fellowship of the School of
Economic Science
Consolidated Statement of Financial Activities
(Including Waterperry Gardens Limited)
For the year ended 31 March 2005**

	Note	Unrestricted £	Restricted £	Total 31.3.05 £	Restated Total 31.3.04 £
Incoming Resources					
Courses and Lectures:					
Fees		1,029,255	-	1,029,255	1,079,098
Incoming from Supporting activities		340,289	-	340,289	292,871
Donations and gifts		170,632	10,676	181,308	188,010
Legacies		83,500	-	83,500	-
Income from quoted investments		650	-	650	2,272
Bank and other interest		65,595	7,258	72,853	9,102
Art in Action		6,028	-	6,028	545,476
Other income		70,197	-	70,197	129,339
Net Gains on Disposal of Fixed Assets		8,968,043	-	8,968,043	-
Turnover from Trading Subsidiary	11	1,177,897	-	1,177,897	1,248,720
		<u>11,912,086</u>	<u>17,934</u>	<u>11,930,020</u>	<u>3,494,888</u>
Resources Expended					
Direct charitable expenditure:					
Functional costs		859,105	-	859,105	856,375
Art in Action		21,947	-	21,947	529,521
Support costs	2	265,194	-	265,194	199,335
Donations		-	-	-	-
Operating costs of trading subsidiary	11	1,220,678	-	1,220,678	1,209,206
		<u>2,366,924</u>	<u>-</u>	<u>2,366,924</u>	<u>2,794,437</u>
Other expenditure:					
Publicity		210,199	-	210,199	190,722
Management and administration	3	486,013	-	486,013	391,659
		<u>3,063,136</u>	<u>-</u>	<u>3,063,136</u>	<u>3,376,818</u>
Total Resources Expended					
		<u>3,063,136</u>	<u>-</u>	<u>3,063,136</u>	<u>3,376,818</u>
Net Incoming Resources Before Transfers		8,848,950	17,934	8,866,884	118,070
Gross Transfers between Funds		-	-	-	-
Net Incoming Resources Before Asset Revaluation/Disposals		8,848,950	17,934	8,866,884	118,070
Gains and Losses on Investment Assets					
Realised (losses)		(5,978)	-	(5,978)	(1,100)
Unrealised gains/(losses)		963	-	963	14,148
		<u>(5,015)</u>	<u>-</u>	<u>(5,015)</u>	<u>13,048</u>
Net Incoming Resources For the Year		8,843,935	17,934	8,861,869	131,118
Fund balances brought Forward at 1 April 2004		<u>11,971,665</u>	<u>215,910</u>	<u>12,187,575</u>	<u>12,056,457</u>
Fund Balances Carried Forward at 31 March 2005		<u>20,815,600</u>	<u>233,844</u>	<u>21,049,444</u>	<u>12,187,575</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 March 2005**

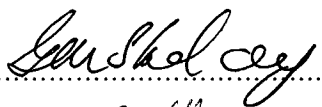
	Note	Unrestricted £	Restricted £	Total 31.3.05 £	Restated Total 31.3.04 £
Incoming Resources					
Courses and Lectures:					
Fees		1,029,255	-	1,029,255	1,079,098
Incoming from supporting activities		340,289	-	340,289	292,871
Donations and gifts		170,632	10,676	181,308	188,010
Legacies		83,500	-	83,500	-
Income from quoted investments		650	-	650	2,272
Bank and other interest		64,692	7,258	71,950	8,350
Art in Action		6,028	-	6,028	545,476
Other income		88,412	-	88,412	157,633
Gains on Disposal of Fixed Assets		8,968,043	-	8,968,043	-
		<u>10,751,501</u>	<u>17,934</u>	<u>10,769,435</u>	<u>2,273,710</u>
Resources Expended					
Direct charitable expenditure:					
Functional costs		884,105	-	884,105	881,375
Art in Action		21,947	-	21,947	529,521
Support Costs	2	265,194	-	265,194	199,335
Donations		-	-	-	-
		<u>1,171,246</u>	<u>-</u>	<u>1,171,246</u>	<u>1,610,231</u>
Other expenditure:					
Publicity		210,199	-	210,199	190,722
Management and administration	3	486,013	-	486,013	391,659
Total Resources Expended	4	<u>1,867,458</u>	<u>-</u>	<u>1,867,458</u>	<u>2,192,612</u>
Net Incoming Resources before Transfers		8,884,043	17,934	8,901,977	81,098
Gross Transfers between Funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Incoming Resources Before Revaluations and Investment Asset Disposals		8,884,043	17,934	8,901,977	81,098
Gains and Losses on Investment Assets					
Realised (losses)		(5,978)	-	(5,978)	(1,100)
Unrealised gains/(losses)		963	-	963	14,148
Net Movement in Funds		8,879,028	17,934	8,896,962	94,146
Total Fund balances brought Forward at 1 April 2004		<u>11,619,032</u>	<u>215,910</u>	<u>11,834,942</u>	<u>11,740,796</u>
Fund Balances Carried Forward at 31 March 2005		<u>20,498,060</u>	<u>233,844</u>	<u>20,731,904</u>	<u>11,834,942</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 2005
(Including Waterperry Gardens Limited)**

	Note	2005 £	2005 £	Restated 2004 £	Restated 2004 £
Fixed Assets					
Tangible fixed assets	9		10,692,385		10,070,215
Investments	12		<u>9,834</u>		<u>159,826</u>
			10,702,219		10,230,041
Current Assets					
Stocks		339,862		351,823	
Debtors:					
Inland Revenue claims		22,908		7,525	
Other debtors	13	1,829,670		1,789,639	
Cash at bank in hand		<u>8,931,274</u>		<u>415,912</u>	
		<u>11,123,714</u>		<u>2,564,899</u>	
Creditors: Amounts falling due within one year					
Bank loan (secured)	14	12,800		-	
Other loans	14	56,433		81,433	
Fees received in advance		6,484		7,424	
Other creditors and accruals		<u>277,848</u>		<u>376,058</u>	
		<u>373,565</u>		<u>464,915</u>	
Net Current Assets			10,750,149		2,099,984
			<u>21,452,368</u>		<u>12,330,025</u>
Creditors: Amounts falling due after one year					
Other loans	14		<u>402,924</u>		<u>142,450</u>
			<u>21,049,444</u>		<u>12,187,575</u>
Funds					
Restricted	15		233,844		215,910
Unrestricted funds:					
Designated	15		8,220,911		40,373
Undesignated			12,594,689		11,931,292
Non charitable funds			<u>-</u>		<u>-</u>
			<u>21,049,444</u>		<u>12,187,575</u>

Approved by the Trustees on 19 July 2005
And signed on their behalf by:

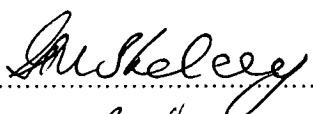
G. Skelcey  Chairman


M. Kettle  Treasurer

**The Fellowship of the School of
Economic Science
Charity Balance Sheet at 31 March 2005
(Excluding Waterperry Gardens Limited)**

	Note	2005 £	2005 £	Restated 2004 £	Restated 2004 £
Fixed Assets					
Tangible fixed assets	9		10,477,668		9,830,699
Investment in subsidiary	11		7,002		7,002
Investments	12		9,834		159,826
			<u>10,494,504</u>		<u>9,997,527</u>
 Current Assets					
Stocks		117,279		116,646	
Debtors:					
Inland Revenue claims		18,896		7,525	
Other debtors	13	1,840,191		1,802,948	
Cash at bank in hand		<u>8,918,481</u>		<u>393,212</u>	
		<u>10,894,847</u>		<u>2,320,331</u>	
 Creditors: Amounts falling due within one year					
Bank loan (secured)	14	12,800		-	
Other loans	14	56,433		81,435	
Fees received in advance		6,484		7,424	
Other creditors and accruals		<u>179,419</u>		<u>254,057</u>	
		<u>255,136</u>		<u>342,916</u>	
 Net Current Assets			<u>10,639,711</u>		<u>1,977,415</u>
			21,134,215		11,974,942
 Creditors: Amounts falling due after one year					
Other loans	14		<u>402,311</u>		<u>140,000</u>
			<u>20,731,904</u>		<u>11,834,942</u>
 Funds					
Restricted	15		233,844		215,910
Unrestricted funds:					
Designated	15		8,220,911		40,373
Undesignated			<u>12,277,149</u>		<u>11,578,659</u>
			<u>20,731,904</u>		<u>11,834,942</u>

Approved by the Trustees on 19 July 2005
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 2005**

	2005 £	2005 £	2004 £	2004 £
Net Cash Inflow/(Outflow) from Operating Activities (Note 1)		(170,027)		235,185
Returns on Investment and Servicing of Finance				
Interest paid	(14,717)		(3,034)	
Interest received	72,853		9,102	
Dividends received	650		2,272	
Net Cash Inflow from Returns on Investment and Servicing of Finance		58,786		8,340
Investing Activities				
Payments to acquire Fixed Assets	(883,502)		(248,160)	
Receipts from sale of Fixed Assets	9,116,854		-	
Payments to acquire investments	-		(102,924)	
Receipts from sale of investments	144,977		12,880	
Net Cash Inflow/(Outflow) from Investing Activities		8,378,329		(338,204)
Net Cash Inflow/(Outflow) before Financing		8,267,088		(94,679)
Financing				
Loans Acquired	275,111		-	
Loans repaid	(26,837)		(154,227)	
Net Cash Inflow/(Outflow) from Financing (Note 3)		248,274		(154,227)
		8,515,362		(248,906)
Increase/(Decrease) Cash and Cash Equivalents (Note 2)		8,515,362		(248,906)

**The Fellowship of the School of
Economic Science
Notes to the Cash Flow Statement
For the year ended 31 March 2005**

**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**

	2005 £	2004 £
Operating surplus	8,866,884	118,070
Depreciation charges	112,521	114,747
(Profit) on disposal of fixed assets	(8,968,043)	-
(Increase)/decrease in stocks	11,961	(3,482)
(Increase) / decrease in debtors	(55,414)	24,811
Increase/(decrease) in creditors	(79,150)	(10,621)
Interest received	(72,853)	(9,102)
Dividends received	(650)	(2,272)
Interest paid	14,717	3,034
	<u>(170,027)</u>	<u>235,185</u>

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

	2005 £	2004 £	Movement in year £
Cash at bank and in hand	<u>8,931,274</u>	<u>415,912</u>	<u>8,515,362</u>

3 Analysis of Changes in Financing during the Year

	2005 £	2004 £	Movement in year £
Secured loan	278,111	3,000	275,111
Other loans	<u>194,046</u>	<u>220,883</u>	<u>(26,837)</u>
	<u>472,157</u>	<u>223,883</u>	<u>248,274</u>

4 Analysis of Net Funds

	At 31 March 2004 £	Cash Flow £	At 31 March 2005 £
Cash in hand, at bank	415,912	8,515,362	8,931,274
Debt due after one year	(142,450)	(260,474)	(402,924)
Debt within one year	<u>(81,433)</u>	<u>12,200</u>	<u>(69,233)</u>
Total	<u>192,029</u>	<u>8,267,088</u>	<u>8,459,117</u>

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

	£	£
Increase in cash in the period	8,515,362	
Cash inflow from increase in debt financing	<u>(248,274)</u>	
Change in net funds resulting from cash flows		8,267,088
Net funds at 1 April 2004		<u>192,029</u>
Net funds at 31 March 2005		<u>8,459,117</u>

**The Fellowship of the School of
Economic Science
Notes to the Accounts
For the year ended 31 March 2005**

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 2004 (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.

The major accounting policies have been consistently applied except for the depreciation policy in respect of freehold buildings. The impact of the change introduced in these accounts is detailed in Note 9.

Income

- i) Fees, endowments, donations, legacies 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.
- ii) Interest is taken to income in the year to which it relates.
- 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.

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

Properties for charitable use

It is the policy of the Trustees to maintain buildings held for charitable use in such condition that their useful economic life is indeterminate. In the opinion of the Trustees, the favourable location of those properties, combined with this policy, results in the residual value of the properties (by reference to their purchase price) being not less than their present carrying value in the accounts. Consequently no depreciation is charged on those properties.

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

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 £2,500 cost, but there is some leeway for 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 2005 (Continued)**

1. Accounting Policies (Continued)

Fund Accounting

"Unrestricted Funds" consist 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 are described as "Designated Funds".

"Restricted Funds" consist of funds obtained from donors who have specified that the monies given shall be used by the Charity for a specific purpose.

2 Support Costs

	2005	2004
	£	£
Bookshop	88,552	80,792
Catering	77,441	75,884
Meetings	21,375	26,819
Sound Recording	1,699	2,610
Economics	3,791	9,759
Art	72,336	3,471
	<u>265,194</u>	<u>199,335</u>

3 Management and Administration

	2005	2004
	£	£
Audit fees	11,750	10,694
Bank interest and charges	32,969	14,948
Motor expenses	12,365	9,950
Travelling	15,725	7,391
Salaries	293,158	224,174
VAT unrecovered	-	2,402
Other administration costs	120,046	121,016
	<u>486,013</u>	<u>391,659</u>

4 Total Resources Expended

	Staff Costs £	Depreciation £	Other Costs £	Total 2005 £	Total 2004 £
Direct charitable expenditure	-	45,036	1,126,210	1,171,246	1,610,231
Publicity	-	-	210,199	210,199	190,722
Management and administration	286,198	6,688	193,127	486,013	391,659
	<u>286,198</u>	<u>51,724</u>	<u>1,529,536</u>	<u>1,867,458</u>	<u>2,192,612</u>

5 Staff Emoluments

	2005	2004
Average numbers (including part-timers)	<u>18</u>	<u>21</u>
Gross pay	252,125	232,923
Social security costs	24,581	22,536
Other pension costs (note 6)	9,492	14,671
	<u>286,198</u>	<u>270,130</u>

No employee was paid at the rate of more than £50,000 p.a.

**The Fellowship of the School of
Economic Science
Notes to the Accounts
For the year ended 31 March 2005 (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	2005 £	2004 £
Premiums under an authorised scheme for which cover is for £1,000,000 in aggregate	<u>1,972</u>	<u>1,260</u>

8 Changes in Resources Available for Charity Use

	Unrestricted Funds £
Net movement in funds for the year	8,901,977
Net increase in tangible fixed assets	<u>(646,969)</u>
Net increase in funds available for future activities	<u>8,255,008</u>

9 Tangible Fixed Assets (all in UK)

Group	Freehold Property	Leasehold Property	Equipment Etc.	Total
Cost	£	£	£	£
Balance at 1 April 2004	9,678,076	132,011	1,336,217	11,146,304
Additions	781,281	5,340	68,300	854,921
Disposals	<u>(120,230)</u>	<u>-</u>	<u>(141,617)</u>	<u>(261,847)</u>
Balance at 31 March 2005	<u>10,339,127</u>	<u>137,351</u>	<u>1,262,900</u>	<u>11,739,378</u>
Depreciation				
Balance at 1 April 2004	-	54,249	1,021,840	1,076,089
Charge for the year	-	10,684	101,837	112,521
Disposals	<u>-</u>	<u>-</u>	<u>(141,617)</u>	<u>(141,617)</u>
Balance at 31 March 2005	<u>-</u>	<u>64,933</u>	<u>982,060</u>	<u>1,046,993</u>
Net Book Value				
At 31 March 2005	<u>10,339,127</u>	<u>72,418</u>	<u>280,840</u>	<u>10,692,385</u>
At 31 March 2004	<u>9,678,076</u>	<u>77,762</u>	<u>314,377</u>	<u>10,070,215</u>

**The Fellowship of the School of
Economic Science
Notes to the Accounts
For the year ended 31 March 2005 (Continued)**

9 Tangible Fixed Assets (continued)

Charity	Freehold Property	Leasehold Property	Equipment Etc.	Total
Cost	£	£	£	£
Balance at 1 April 2004	9,678,076	13,441	791,045	10,482,562
Additions	781,281		37,641	818,922
Disposals	(120,230)	-	(141,617)	(261,847)
Balance at 31 March 2005	10,339,127	13,441	687,069	11,039,637
Depreciation				
Balance at 1 April 2004	-	2,151	649,711	651,862
Charge for the year		269	51,455	51,724
Disposals	-	-	(141,617)	(141,617)
Balance at 31 March 2005		2,420	559,549	561,969
Net Book Value				
At 31 March 2005	10,339,127	11,021	127,520	10,477,668
At 31 March 2004	9,678,076	11,290	141,333	9,830,699

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

Impact of Changes to Accounting Policies

1. The Trustees have decided that from 1 April 2004 it was inappropriate for reasons set out in the Statement of Accounting Policies, see page 13, to depreciate the cost of Freehold Buildings over 50 years. Consequently, £818,978 cumulative depreciation charged to 31 March 2004 has been added back to the General Fund, and the net value of Freehold Properties in the books increased accordingly.
2. The Trustees have identified £215,910 of Unrestricted "Undesignated" funds that had been raised from donors by three Branches by 31 March 2004 for the specific purpose of enabling the Branch to acquire a local building in which to hold Philosophy and other courses. These funds have been transferred out of Undesignated Funds to Restricted Funds at 31 March 2004 in these accounts.

Charity Funds – Revised Opening Balance

	£
Undesignated Funds at 31 March 2004 per 2003/4 Accounts	10,975,591
Cumulative Freehold Depreciation to 31 March 2004 added back	818,978
	11,794,569
Transfer to Restricted Funds	(215,910)
Revised Undesignated Funds as at 31 March 2004	11,578,659

**The Fellowship of the School of
Economic Science
Notes to the Accounts
For the year ended 31 March 2005 (Continued)**

Freehold Property - Revised Opening Figures

	Revised 2004/5 Accounts	As Per 2003/4 Accounts
	£	£
Cost of Freehold Properties	9,678,076	9,678,076
Depreciation to 31 March 2004	<u>-</u>	<u>(818,978)</u>
Net Book Value at 31 March 2004	<u>9,678,076</u>	<u>8,859,098</u>

Impact on Charity's Statement of Financial Activities (S.O.F.A.)

2003/4 Comparative Figures have been altered as set out below

	£
Net Outgoing Resources before gains/losses on Investment Assets in 2003/4 accounts	(112,463)
Freehold Depreciation for 2003/4 Financial Year added back	<u>193,561</u>
Revised Net Incoming Resources before Investments gains/losses in 2004/5 accounts	<u>81,098</u>

2004/5 Financial Year

If the accounting policy in respect of depreciation of Freehold Buildings had not been changed, the 2004/5 S.O.F.A. would have included an additional depreciation charge of £207,051.

10 Capital Commitments

At 31 March 2005 there were no capital expenditure commitments not provided for in these accounts. (2004 - £157,500)

11 Investments in Subsidiary

	2005 £	2004 £
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 £78,595 (2004 - £56,794) which has subsequently been repaid. £40,000 of this loan was provided in the period between 31 December 2004 and 31 March 2005 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 2005 (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 2004 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.

	2005 £	2004 £
Turnover	1,202,897	1,273,720
Operating expenses	(1,241,914)	(1,212,239)
Gift aid to The Fellowship of the School of Economic Science	-	(10,000)
	(39,017)	51,481
Interest payable	(1,715)	(1,794)
Interest receivable	903	752
Net profit for the year before taxation	(39,829)	50,439
Taxation	4,736	(13,467)
Net profit for the year retained by the Company	(35,093)	36,972
Less: Elimination of transactions with the Fellowship	(6,785)	3,294
Included in Consolidated SOFA	(41,878)	40,266

Turnover and Operating Costs shown in the Consolidated Statement of Financial Activities (Page 7) are after deducting the net value of transactions with the Charity.

12 Investments

	Quoted Securities £	Unquoted Investment £	Total £
Market value at 1 April 2004	159,826	-	159,826
Disposals at opening book value (Proceeds £144,977; loss £5,978)	(150,955)	-	(150,955)
Additions	-	-	-
Net profit on revaluation	963	-	963
Market value at 31 March 2005	9,834	-	9,834
Cost at 31 March 2005	8,265	-	8,265

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

Material Investments (more than 5% of portfolio)

	Holding	2005 Market Value £	2005 Cost £
Halifax Group plc Ord. Shares of 20p each	1092	9,009	7,915
Royal Bank of Scotland Ord. Shares of £1 each	49	825	350

**The Fellowship of the School of
Economic Science
Notes to the Accounts
For the year ended 31 March 2005 (Continued)**

13 Debtors

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Subsidiary company	37,962	28,963	78,595	66,794
Trade debtors	6,079	12,108	-	-
Prepayments	18,286	7,044	12,552	9,704
Accrued income	-	13,078	-	13,078
Other debtors	111,609	63,372	99,044	63,372
Deferred Taxation	5,734	5,074	-	-
Loan to The Independent Educational Association Limited	1,650,000	1,650,000	1,650,000	1,650,000
	<u>1,829,670</u>	<u>1,789,639</u>	<u>1,840,191</u>	<u>1,802,948</u>

14 Creditors

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

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Other loans:				
Repayable within one year	69,233	81,433	69,233	81,435
After one year	402,924	142,450	402,311	140,000
	<u>472,157</u>	<u>223,883</u>	<u>471,544</u>	<u>221,435</u>

15 Funds

Charity	Restricted Branches Building Funds	Designated Branches Building Funds	Designated Central Building Funds	Designated Loan Fund	Total
	£	£	£	£	£
Balance brought forward	215,910	-	-	40,373	256,283
Incoming resources	17,934	-	-	611	18,545
Resources expended	-	-	-	(5,000)	(5,000)
Loss on investment assets	-	-	-	(1,022)	(1,022)
Transfer (to)/from					
Undesignated Funds	-	220,911	8,000,000	(34,962)	8,185,949
	<u>233,844</u>	<u>220,911</u>	<u>8,000,000</u>	<u>-</u>	<u>8,454,755</u>

16 Analysis of Charity Net Assets Between Funds

	Designated £
Current Assets	<u>8,454,755</u>

The Fellowship of the School of Economic Science
Appendix to the Accounts
Year ended 31 March 2005

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

	Income 2005 £	Expenses 2005 £	Net 2005 £	Restated Income 2004 £	Restated Expenses 2004 £	Restated Net 2004 £
Fees,	827,410	-	827,410	847,935	-	847,935
Interest/Dividends	71,950	-	71,950	8,350	-	8,350
Overseas schools	2,965	-	2,965	6,601	-	6,601
Other income	54,528	-	54,528	78,290	-	78,290
			956,853			941,176
Bookshop	114,216	88,552	25,664	105,217	80,792	24,425
Catering	115,091	77,441	37,650	129,771	75,884	53,887
Meetings	35,038	21,375	13,663	44,402	26,819	17,583
Sound & Recording	984	1,699	(715)	4,816	2,610	2,206
Economics	13,271	3,791	9,480	13,496	9,759	3,737
Waterperry House	41,144	287,434	(246,290)	63,328	282,407	(219,079)
Nanpantan Hall	115,347	117,705	(2,358)	111,363	107,309	4,054
Brinscall Hall	45,354	28,199	17,155	44,563	31,887	12,676
Art in Essence	23,251	37,962	(14,711)	-	-	-
Art in Action	6,028	21,947	(15,919)	545,476	529,521	15,955
Art Courses	38,437	34,374	4,063	3,446	3,471	(25)
Other	30,920	36,666	(5,746)	72,999	72,751	248
Total Net Income			778,789			856,843
Advertising	-	210,199	(210,199)	-	190,723	(190,723)
Accommodation - London	-	184,447	(184,447)	-	170,767	(170,767)
Accommodation - Branches	-	229,654	(229,654)	-	215,985	(215,985)
Audit fees	-	11,750	(11,750)	-	10,694	(10,694)
Bank interest & charges	-	32,969	(32,969)	-	14,948	(14,948)
Motor Expenses	-	12,365	(12,365)	-	9,950	(9,950)
Travelling	-	15,725	(15,725)	-	7,491	(7,491)
Salaries	-	293,158	(293,158)	-	224,174	(224,174)
Administration - London	-	85,740	(85,740)	-	88,552	(88,552)
Administration - Branches	-	34,306	(34,306)	-	33,006	(33,006)
VAT disallowed	-	-	-	-	2,402	(2,402)
(Deficit) before gifts			(331,524)			(111,849)
Endowments	147,003	-	147,003	67,240	-	67,240
Donations	34,305	-	34,305	120,770	-	120,770
Legacies	83,500	-	83,500	-	-	-
Surplus (Deficit) before exceptional items			(66,716)			76,161
Add: Surplus on Sales of Fixed Assets	8,968,043	-	8,968,043	3,375	-	3,375
Income from quoted investments	650	-	650	2,272	441	1,831
Net Incoming / (Outgoing) Resources	10,769,435	1,867,458	8,901,977	2,273,710	2,192,343	81,367

Note: The totals are the Total Incoming Resources, Total Resources Expended and Net Incoming Resources before Investments Revaluations/Disposals, and net gain arising on sale of assets shown on page 8.

The Fellowship of the School of Economic Science
Appendix to the Accounts
Year ended 31 March 2005

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

	Income 2005	Expenses 2005 £	Net 2005 £	Restated Income 2004 £	Restated Expenses 2004 £	Restated Net 2004 £
Fees	487,005	-	487,005	516,307	-	516,307
Endowments	85,360	-	85,360	43,934	-	43,934
Donations	9,552	-	9,552	96,162	-	96,162
Legacies	83,500	-	83,500	-	-	-
Interest & dividends	70,536	-	70,536	9,291	-	9,291
Branch charges	18,042	-	18,042	17,997	-	17,997
Overseas schools	2,965	-	2,965	6,601	-	6,601
WGL interest & gift aid	1,801	-	1,801	11,794	-	11,794
Rents received at						
Mandeville	16,508	-	16,508	17,044	-	17,044
Other income	24,615	-	24,615	39,860	-	39,860
	799,884	-	799,884	758,990	-	758,990
Bookshop	82,560	63,507	19,053	75,189	56,285	18,904
Catering	93,383	63,462	29,921	109,946	63,750	46,196
Meetings	9,160	10,229	(1,069)	5,500	4,843	657
Sound & recording	984	1,699	(715)	4,816	2,610	2,206
Economics	13,271	3,791	9,480	13,496	9,759	3,737
Waterperry House	41,144	287,434	(246,290)	63,444	282,488	(219,044)
Nanpantan Hall	115,347	117,705	(2,358)	111,363	107,309	4,054
Symposium	1,176	1,285	(109)	4,693	4,184	509
Music	7,002	7,059	(57)	2,310	4,485	(2,175)
Sanskrit	1,585	1,882	(297)	44,057	44,024	33
Art in Action	6,028	21,947	(15,919)	545,476	529,521	15,955
Art dept.	38,437	34,374	4,063	9,608	3,470	6,138
Art in Essence	23,251	37,962	(14,711)	-	-	-
Convivium publication	9,900	21,334	(11,434)	11,468	17,010	(5,542)
Other activities	9,477	3,627	5,850	14,906	1,623	13,283
Conversations	1,780	1,478	302	1,570	1,427	143
Contribution to overheads	1,254,369	678,775	575,594	1,776,832	1,132,788	644,044
Accommodation	-	184,447	(184,447)	-	170,767	(170,767)
Advertising	-	95,446	(95,446)	-	93,096	(93,096)
Salaries	-	293,158	(293,158)	-	224,174	(224,174)
Central admin. Costs	-	85,740	(85,740)	-	64,467	(64,467)
Audit fees	-	11,750	(11,750)	-	10,674	(10,674)
Bank interest	-	6,074	(6,074)	-	58	(58)
Bank charges	-	17,111	(17,111)	-	10,976	(10,976)
Motor expenses	-	12,365	(12,365)	-	9,950	(9,950)
Travelling	-	11,938	(11,938)	-	6,355	(6,355)
Unrecovered VAT	-	-	-	-	2,403	(2,403)
Overseas leaders' visits	-	-	-	-	24,665	(24,665)
Interest to Branches	-	21,089	(21,089)	-	25,380	(25,380)
Total overheads	-	739,118	739,118	-	642,965	642,965
Operational Surplus/Deficit	1,254,369	1,417,893	(163,524)	1,776,832	1,775,753	1,079
Surplus on Sale of Fixed Assets			8,968,043			-
Net Surplus for Year Before Revaluations and Investment Asset Disposals			8,804,519			1,079

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 2005**

3. Fixed Assets

Charity	Cost or Nominal Value £	Additions (Disposals) During Year £	Cost of Nominal Value 31.3.05 £	Accumulated Depreciation & Amortisation £	Net Book Value 31.3.05 £
Freehold Property					
St. Oswald's Studios, London	80,833	-	80,833	-	80,833
Sarum Chase, London	120,230	(120,230)	-	-	-
83 Brook Green, London	329	-	329	-	329
Waterperry, Oxford	2,803,037	403,437	3,206,474	-	3,206,474
Nanpantan Hall, Loughborough	433,083	-	433,083	-	433,083
Brinscall Hall, Preston	78,537	-	78,537	-	78,537
Chappel Allerton Hall, Leeds	40,246	-	40,246	-	40,246
13 Addiscombe Grove Croydon	322,182	-	322,182	-	322,182
18 Chester Street, Edinburgh	36,556	-	36,556	-	36,556
265A Portsmouth Road, Guildford	378,086	6,435	384,521	-	384,521
Mandeville Place	5,367,128	(28,581)	5,338,547	-	5,338,547
Baker Street, Stockport	17,500	399,990	417,490	-	417,490
Reversionary Interest					
87 Brook Green, London	329	-	329	-	329
Long Lease					
78 Carterknowle St., Sheffield	13,441	-	13,441	2,420	11,021
	<u>9,691,517</u>	<u>661,051</u>	<u>10,352,568</u>	<u>2,420</u>	<u>10,350,148</u>
Improvements					
Waterperry House	74,664	-	74,664	69,864	4,800
Waterperry Estate	129,206	-	129,206	115,289	13,917
Waterperry Art in Action	36,201	-	36,201	26,845	9,356
	<u>240,071</u>	<u>-</u>	<u>240,071</u>	<u>211,998</u>	<u>28,073</u>
Equipment etc.					
London Houses	253,224	(101,368)	151,856	114,595	37,261
Nanpantan	55,554	-	55,554	51,414	4,140
Waterperry	85,467	-	85,467	61,549	23,918
Art in Action	27,303	-	27,303	27,303	-
Branches	82,536	(1,213)	81,323	68,107	13,216
Motor vehicles	46,890	(1,395)	45,495	24,583	20,912
	<u>550,974</u>	<u>(103,976)</u>	<u>446,998</u>	<u>347,551</u>	<u>99,447</u>
	<u>10,482,562</u>	<u>557,075</u>	<u>11,039,637</u>	<u>561,969</u>	<u>10,477,668</u>

**The Fellowship of the School of
Economic Science
Appendix to the Accounts
Year ended 31 March 2005**

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:

	2005 £	2004 £
London	8,804,519	1,079
Bath	1,796	1,860
Sussex	969	2,910
Bristol	5,373	3,926
Cambridge	(1,069)	(1,115)
Croydon	3,644	2,755
Devon	(250)	290
East Anglia	9,771	5,499
Scotland	12,558	13,736
Guildford	17,920	18,865
Kent	1,948	677
Lincoln	374	172
North East	221	105
North West	28,098	5,190
Oxford	419	492
Berkshire	2,978	9,793
St. Albans	1,213	1,147
Wessex	5,787	6,891
West Midland	5,708	7,095
	<u>8,901,977</u>	<u>81,367</u>

Reconciliation with Final Surplus:

Unrestricted funds	8,884,043	81,367
Restricted fund	17,934	-
Surplus per page 19	<u>8,901,977</u>	<u>81,367</u>

**The Fellowship of the School of
Economic Science
Appendix to the Accounts
Year ended 31 March 2005**

5. Movement of Funds

Loan Fund

	2005 £	2004 £
Balance at 1 April 2004	40,373	26,957
Revaluation of investments	-	6,577
Proceeds on Investment Sales transferred to General Funds	(40,177)	-
Profit/(Loss) on sales	(1,022)	158
Income	666	6,681
	<u>Nil</u>	<u>40,373</u>
Balance at 31 March 2005		

	Restricted Branches Building Fund £	2005 Total Restricted Fund £	2004 Total Restricted Fund £
Restricted Fund			
Balance at 1 April 2004	215,910	215,910	-
Interest earned on fund	17,934	17,934	-
	<u>233,844</u>	<u>233,844</u>	<u>-</u>
Less: Transfer to General Fund	-	-	-
Balance at 31 March 2005	<u>233,844</u>	<u>233,844</u>	<u>-</u>

	2005 £	2004 £
Undesignated Fund		
Balance at 1 April 2004	11,578,659	11,088,422
Add: Surplus on Income and Expenditure	8,895,999	79,998
Revaluation of investments	963	14,148
Building Depreciation write-back	-	625,417
Transfer (to)/from Development Funds:		
Restricted	(17,934)	(215,910)
Designated	(8,220,911)	(13,416)
Designated	40,373	-
	<u>12,277,149</u>	<u>11,578,659</u>