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THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1996



THE YEHUDI MENUHIN SCHOOL LIMITED

(Incorporated under Number 818389 on 3rd September 1964 and Limited by Guarantee. Established as a Charity 14th October 1964 Charity Registered Number 312010)

Patron: Her Royal Highness The Duchess of Kent, G.C.V.O.

President: The Lord Menuhin, O.M., K.B.E.

Vice Presidents: Elizabeth, Duchess of Hamilton & Brandon, O.B.E., D.L.
A.N. Hollis, O.B.E., D.F.C.
Sir Ian Hunter, M.B.E.
The Lord Rayne
Dr. Andrew F. Verney

GOVERNORS

Chairman: Mrs. Barbara R-D. Fisher

Vice Chairman: Sir John Burgh, K.C.M.G., C.B.

Sir Peter Beale
The Hon. Mrs. Zamira Benthall
Mr. John Chadwick
Mr. Stephen J. Cockburn
Mr. Daniel Hodson
Mrs. Margaret Hubicki, M.B.E.
The Lord Menuhin, O.M., K.B.E.
Mr. Adam Ridley
Mr Mark Sheldon
Mrs Anne Simor
Mr. Graham Smallbone
Mr. Ronald A. Smith
Mrs. Alison Willcocks

Secretary: Mr. Colin Mays, C.M.G.

The Governors present their report and statement of accounts for the year ended 31st August 1996.

The Income and Expenditure Account shows a surplus for the year of £40,721 (1995 surplus £10,300). Income from the Endowment Fund Investments of £72,803 (1995 £60,225) is not included with the above but added to the Fund.

The Governors would like to take this opportunity of expressing their appreciation to all those many people who have helped the School so generously and continue to do so.

In accordance with Section 385 Companies Act, 1985, a resolution proposing the re-appointment of Fraser Russell, Chartered Accountants and Registered Auditors, as auditors to the company will be put to the Annual General Meeting.

By order of the Board



C. Mays - Secretary
20th November 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the Governors and auditors

Charity Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the surplus or deficit of the School for that period. In preparing those financial statements, the Governors are required to

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

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and to enable them to ensure that the financial statements comply with Charity Law. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and whether the accounting policies are appropriate to the School'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 mis-statement, 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF

THE YEHUDI MENUHIN SCHOOL LIMITED

(Limited by Guarantee)

(Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the School's affairs at 31st August 1996 and of its results for the year then ended and have been properly prepared in accordance with the Charity Law and Companies Act 1985.



FRASER RUSSELL
Chartered Accountants
and Registered Auditors

Albany House
128 Station Road
Redhill
Surrey
RH1 1ET

Date: *20 November 1996*

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 1996

	Notes	1996 £	1995 £
Grants and contributions to fees	2	982,442	887,141
Less: School administration expenditure		953,112	892,099
		-----	-----
Other income	3	29,330 11,391	(4,958) 15,258
		-----	-----
SURPLUS FOR THE YEAR	2	40,721	10,300
(DEFICIT) OF INCOME AT 1st September 1995		(2,281)	(12,581)
		-----	-----
SURPLUS/(DEFICIT) OF INCOME AT 31st August 1996		£38,440 =====	£(2,281) =====

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)

BALANCE SHEET

AS AT 31ST AUGUST 1996

	Notes	£	1996 £	1995 £
FIXED ASSETS				
Tangible assets (page 6)			658,673	664,706
Quoted investments	5		738,385	666,034
			1,397,058	1,330,740
CURRENT ASSETS				
Debtors	4	119,115		105,511
Cash at bank and in hand	6	894,877		788,360
			£1,013,992	£893,871
			=====	=====
CREDITORS				
Amounts due within one year	7	£73,820		£106,936
			=====	=====
NET CURRENT ASSETS			940,172	786,935
NET ASSETS			£2,337,230	£2,117,675
			=====	=====
RESERVES				
- General	8		626,074	521,070
- Endowment	9		1,245,047	1,207,263
- Designated Endowment Fund	10		427,669	391,623
SURPLUS/(DEFICIT) ON INCOME AND EXPENDITURE ACCOUNT				
			38,440	(2,281)
			£2,337,230	£2,117,675
			=====	=====

Approved at a Governors Meeting held on 20th November 1996:

B. R. D. Fisher

 MRS B. R-D. FISHER

Governors

John Burgh

 SIR JOHN BURGH KCMG, CB.

The notes on pages 7 to 12 form part of these financial statements

THE YEHUDI MENUHIN SCHOOL LIMITED**(Limited by Guarantee)****FIXED ASSETS STATEMENT****FOR THE YEAR ENDED 31ST AUGUST 1996**

	TOTAL	Freehold	Freehold	Musical	Furniture	Motor
	£	buildings	land	instruments	and	vehicles
FIXED ASSETS		£	£	£	academic	£
					equipment	
					£	£
COST						
As at 1.9.95	877,328	448,788	175,000	59,249	158,465	35,826
Additions	16,216	-	-	10,786	5,430	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cost at 31.8.96	893,544	448,788	175,000	70,035	163,895	35,826
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
Accumulated						
at 1.9.95	212,622	26,928	-	8,250	158,463	18,981
Total provided						
during year	22,249	8,976	-	3,631	5,430	4,212
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated						
at 31.8.96	234,871	35,904	-	11,881	163,893	23,193
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE						
At 31.8.96	£658,673	£412,884	£175,000	£58,154	£2	£12,633
	=====	=====	=====	=====	=====	=====
At 31.8.95	£664,706	£421,860	£175,000	£50,999	£2	£16,845
	=====	=====	=====	=====	=====	=====

The freehold buildings are currently insured for £3,010,000 and musical instruments for £765,087.

THE YEHUDI MENUHIN SCHOOL LIMITED**(Limited by Guarantee)****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1996****1. ACCOUNTING POLICIES****Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Freehold buildings are depreciated at the rate of 2% of the acquisition cost.

Musical instruments are not normally depreciated, but the £25,500 cost of the Grand Piano will be written off at the rate of 10% p.a. as will any substantial future additions.

Furniture, equipment and academic equipment are written off in full in the year of acquisition.

Motor vehicles are depreciated at the rate of 25% of the written down value brought forward at the beginning of each year.

Quoted Investments

As at 31st August 1996 the Quoted Investments are shown at market value with any adjustment for appreciation or depreciation being made through Reserves.

	1996	1995
	£	£
2. SURPLUS FOR THE YEAR		
After providing for:		
Remuneration of auditors (including VAT)	5,611	6,462
Depreciation	22,249	23,581
	=====	=====
After crediting:		
Grants and fees from various sources	£982,442	£887,141
	=====	=====
3. OTHER INCOME	£	£
Gifts and donations	145	200
Friends of Yehudi Menuhin School	1,855	4,137
Deposit interest	7,014	6,490
Sundry receipts	2,377	4,431
	-----	-----
	£11,391	£15,258
	=====	=====
4. DEBTORS	£	£
Fees and recharges receivable (less doubtful debts provision)	104,363	88,511
Other debtors	1,550	2,894
Prepayments	13,202	14,106
	-----	-----
	£119,115	£105,511
	=====	=====

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1996
(Continued)

		1996	1995
		£	£
5.	QUOTED INVESTMENTS consist of:		
	General Investments		
	Brought forward	282,652	278,227
	Additions	10,184	67,239
	Disposals	(10,557)	(39,796)
	Adjustment for appreciation/(diminution)	-	1,087
	Uplift to market value at year end	28,437	25,952
		<hr/>	<hr/>
	Market value at 31.8.96	310,716	332,709
	Transfer to Special Investments	-	(50,057)
		<hr/>	<hr/>
		310,716	282,652
		<hr/>	<hr/>
	Special Investments		
	Brought forward	383,382	333,001
	Purchases	23,508	-
	Disposal	(2,324)	-
	Uplift to market value at year end	23,103	324
		<hr/>	<hr/>
	Market value at 31.8.96	427,669	333,325
	Transfer from General Investments	-	50,057
		<hr/>	<hr/>
		427,669	383,382
		<hr/>	<hr/>
	Market value of investments at 31.8.96	£738,385	£666,034
		=====	=====
	Investments designated "Special" are held against Designated Endowment Fund set out in note 10.		
6.	CASH AT BANK AND IN HAND	£	£
	Restricted funds	10,811	9,872
	Unrestricted funds	883,756	770,247
	Designated Endowment Funds	310	8,241
		<hr/>	<hr/>
		£894,877	£788,360
		=====	=====
7.	CREDITORS	£	£
	Fees received in advance	26,828	65,516
	PAYE and NIC	12,797	12,661
	Accruals	34,195	28,759
		<hr/>	<hr/>
		£73,820	£106,936
		=====	=====

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 1996
(Continued)

	1996		1995	
	£	£	£	£
8. GENERAL RESERVES are as follows:				
<u>Capital Fund</u>				
Balance at 31st August 1995 and 31st August 1996		227,407		227,407
 <u>Student Aid Fund</u>				
Balance at 1st September 1995	27,523		22,804	
Add: Concert receipts and other income	11,982		12,893	
Donations from Friends of Yehudi Menuhin School	2,000		2,000	
	-----		-----	
	41,505		37,697	
 Less: Expenditure on students	(7,556)		(10,174)	
	-----	33,949	-----	27,523
 <u>Grand Piano Fund</u>				
Balance at 1st September 1995	35,293		34,601	
Add: Donations during year	303		692	
Less: Expenditure	-		-	
	-----	35,596	-----	35,293
 <u>Kinder Music Club</u>				
Balance at 1st September 1995	2,510		2,566	
Income from club activities	4,364		3,152	
Expenditure on club activities	(4,696)		(3,208)	
	-----	2,178	-----	2,510
 Carried forward		299,130		292,733

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 1996
(Continued)

	1996		1995	
	£	£	£	£
8. GENERAL RESERVES are as follows:				
Brought forward		299,130		292,733
<u>Development Project Appeal Fund</u>				
Balance at 1st September 1995	228,337		156,847	
Donations during year	82,314		81,690	
Interest received	9,688		8,052	
Less: Expenditure	(84,186)		(18,252)	
	-----	236,153	-----	228,337
<u>Yehudi Menuhin 80th Birthday Concert</u>				
80th Birthday income	96,413		-	
80th Birthday expenditure	(9,255)		-	
	-----	87,158	-----	-
<u>Stoke D'Abernon Festival</u>				
Income	10,905		-	
Expenditure	(7,272)		-	
	-----	3,633	-----	-
		-----		-----
		£626,074		£521,070
		=====		=====

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1996
(Continued)

	1996		1995	
	£	£	£	£
9. ENDOWMENT RESERVES are as follows:				
<u>Capital Fund</u>				
Capital at 1st September 1995		1,118,222		1,090,239
Legacies	11,063		6,218	
Profit on sale of investments	(5,522)		(5,274)	
Appreciation/(diminution) in value of investments	-		1,087	
		5,541		2,031
Uplift of Quoted Investments to Market Value		28,437		26,276
		1,152,200		1,118,546
Transfer to Designated Endowment Fund		-		(324)
<u>Income Fund</u>				
Balance at 1st September 1995	79,169		78,950	
Interest and dividends	72,803		60,225	
Transfer to Distributable Awards Fund	(20,177)		(20,131)	
Bursaries awarded from Income Fund	(50,069)		(39,875)	
		81,726		79,169
<u>Distributable Awards Fund</u> (Note 11)		11,121		9,872
		£1,245,047		£1,207,263
		=====		=====
10. DESIGNATED ENDOWMENT FUND				
Consists of Funds designated for specific purposes:				
Brackenbury		9,244		8,538
Esso/Westminster		19,720		18,748
Eta Herbst		240,973		221,552
Cholmondeley		116,600		107,636
Sherman		11,660		10,763
Fermoy		19,433		16,145
Sir Ronald Harris Memorial Fund		10,039		8,241
Represented by Special Investments/Cash – Notes 5 & 6		£427,669		£391,623
		=====		=====

THE YEHUDI MENUHIN SCHOOL LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1996
(Continued)

11. DISTRIBUTABLE AWARDS FUND

	Brought forward £	Income received in year £	Awards made in year £	Carried forward £
Specifically Invested				
Brackenbury Fund	806	437	(485)	758
Esso/Westminster	2,975	622	-	3,597
Eta Herbst Fund	-	11,534	* (11,534)	-
Cholmondeley Fund	-	5,580	* (5,580)	-
Sherman Fund	-	558	* (558)	-
Fermoy Masterclass Fund	1,810	929	(852)	1,887
Sir Ronald Harris Memorial Fund	-	517	(207)	310
	-----	-----	-----	-----
	5,591	20,177	(19,216)	6,552
Not Specifically Invested				
Prize Fund	1,069	100	(145)	1,024
Wallace Curzon Award	751	2,000	(1,137)	1,614
Louis Kentner Memorial Fund	383	11,106	(11,106)	383
Albert Cowie	1,165	-	-	1,165
Sane Peace	913	-	(530)	383
	-----	-----	-----	-----
	£9,872	£33,383	£(32,134)	£11,121
	=====	=====	=====	=====

The balance undistributed at 31st August 1996 is represented by Restricted Funds at Bank.

* Awards totalling £17,672 have been allocated against the fees balances of specific pupils.