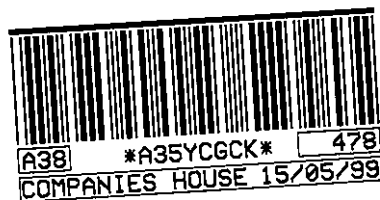


Company Number: 818389

Charity Number: 312010

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1998



HORWATH
CLARK WHITEHILL

Chartered Accountants

A member of Horwath International

25 New Street Square London EC4A 3LN
Telephone: 0171 353 1577 Facsimile: 0171 583 1720

www.horwathcw.com

DX 0014 London Chancery Lane



YEHUDI MENUHIN SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 1998

Status and Administration

The Yehudi Menuhin School Limited, a company limited by guarantee and a registered charity, was founded in 1963. The registered charity number is 312010.

Office	Millfield Stoke D'Abernon Cobham Surrey KT11 3QQ
Patron	Her Royal Highness The Duchess of Kent GCVO
President	The Lord Menuhin, OM, KBE
Vice Presidents	Elizabeth, Duchess of Hamilton & Brandon OBE, DL The Lord Rayne Sir Ian Hunter MBE A N Hollis OBE, DFC Dr A F Verney

DIRECTORS

The Directors of the Company who are also the charity Trustees and the Governors of the School and who served during the year are:

Mrs Barbara R D Fisher OBE (Chairman)
Sir John Burgh, KCMG, CB (Vice Chairman)
Sir Peter Beale, KBE
The Hon. Mrs Zamira Benthall
Sir Rodric Braithwaite GCMG (appointed 29 June 1997)
Mr John Chadwick
Mr Stephen J Cockburn
Mr Daniel Hodson
Mrs Margaret Hubicki, MBE
The Lord Menuhin, OM, KBE
Mr Adam Ridley
Mr Mark Sheldon CBE
Mrs Anne Simor
Mr Graham Smallbone
Mr Ronald A Smith
Mrs Alison Willcocks

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 1998**

The Directors are elected at the Annual General Meeting. Two Directors are appointed by the Secretary of State for Education for a term of two years. Other Directors are appointed for a term of 3 years. They can be re-elected.

PROFESSIONAL ADVISERS AND KEY PERSONNEL

Headmaster:	Nicolas Chisholm MA (CANTAB)
Director of Music:	Malcolm Singer (from 1 September 1998) Stephen Potts (to 31 August 1998)
Bursar:	Mrs Elaine R Balmer
Auditors:	Horwath Clark Whitehill 25 New Street Square London EC4A 3LN
Bankers:	Barclays Bank plc Walton and Staines Business Centre PO Box No.193 8/12 Church Street Walton on Thames Surrey KT12 2YW
Insurance Brokers:	Holmwoods Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU
Investment Managers:	Capel Cure Myers The Registry Royal Mint Court London EC2N 4EY
Solicitors	Wilkinsons 3 Bridge Street Leatherhead Surrey

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 1998

OBJECTS

The objects as set out in the Memorandum are the provision of musical and academic education for talented young pianists and string players from all over the world between the ages of 8 and 18 years, in a boarding environment.

ORGANISATION

The Directors determine the general policy of the school. The day to day management of the school is delegated to the Head, the Director of Music and the Bursar.

POLICY

In accordance with the Memorandum the Yehudi Menuhin School is a boarding school for boys and girls from any part of the world with talents for music, educating them to a high standard so that they can progress in their musical training to a conservatoire or university.

The school's policy is to attain the highest academic levels and to train the pupils in their music to exceptional performance levels.

REVIEW

The school increased in numbers and had 54 pupils at the end of the academic year. This number will increase to 57 in the next academic year. The school is pleased to be able to report this sustained growth. We are able to support pupils who are not eligible for funding through the Music & Ballet Scheme and whose parents are unable to find a source for the fees through our Bursary Scheme, so that talented pupils who wish to benefit from our specialised education may do so. Our bursary endowment funds produce income of approximately £15,000 and that, together with generous gifts for bursaries, enables us to offer places to a number of young people each year.

The White House has been rebuilt at a cost £773,000, and was opened by Lord Menuhin on 19 March 1993. It provides new office and classroom accommodation together with a room which can be used for rehearsals, performance by small groups, dance and aerobics classes, and for classes for introducing young children to music through Jack-in-the-Box. During the summer holidays the school upgraded its kitchens, surgery and sick bay, and staff accommodation.

Academic results continued to place the school near the top of league tables, while the pupils took part in concerts and competitions in several countries, including winning the Strings section of the BBC Young Musician of the Year, and gained entry to their Conservatoire or University of choice.

The school continues to raise funds for further improvements to its buildings and for bursaries through the Development Fund Appeal and special gala events in aid of the school. The governors and staff are committed to the aim that pupils will leave the school not only as dedicated and excellent musicians who will use their music to inspire and enrich the lives of others, but also as friendly, thinking individuals well equipped to contribute fully to the international community.

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 1998

FINANCIAL RESULTS

The school's results reflect a satisfactory position for the year. Total funds carried forward have increased to £2,866,363 from £2,716,602 in the previous year. £603,381 of this amount is represented by restricted and endowed funds held for specific purposes as detailed in notes 10A and 10B to the financial statements. The balance of the funds is unrestricted, and has been designated for specific purposes by the Governors.

There has been a fall in incoming resources for the year of £84,422. This is as a result of the change in presentation in the financial statements of bursaries paid by the school. Bursaries funded by the school from its general funds have reduced the gross fees receivable to £1,001,169, which reflects the actual fees due to the school. The comparative year's fees receivable includes bursaries given from the school's general funds. There is not sufficient information available to restate last year's accounts in line with the current year's presentation of bursaries.

In addition to this alteration the income pattern has fluctuated from the previous year. Investment income has fallen considerably as some of the investments were sold during the year to fund the building work. Income from concert receipts, festivals and events was satisfactory although less than the previous year which included an exceptional amount of income received for the Yehudi Menuhin Birthday Concert. These fluctuations have been made up by a 26% increase in donations, the receipt of £44,250 specific donations in respect of bursaries and a legacy of £50,000 to provide for scholarships.

Expenditure has increased by 10% on the previous year due to the additional running costs incurred by the new building and the increase in the number of pupils.

INVESTMENT POWERS

These are governed by the Memorandum and Articles which permit the funds to be invested in any security, other investment or property situated anywhere in the world.

RESERVES

As set out in Notes 10 and 11 to the financial statements, the reserves are split between those available for the day to day requirements of the school and those restricted or designated for specific purposes. Most of the Endowment Funds are represented by specific investments and the remainder is in undesignated bank balances. Designated Funds, to the extent that they are not represented by expenditure on new school buildings, are held as bank balances.

The directors are of the opinion that the school's assets are sufficient to meet its current obligations.

AUDITORS

During the year Fraser Russell resigned as auditors and Horwath Clark Whitehill were appointed in their place. In accordance with Section 385 of the Companies Act 1985, a resolution proposing the appointment of auditors to the company will be put to the annual general meeting.

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 1998**

RESPONSIBILITIES OF THE GOVERNORS

Company 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 Company 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.

Approved by the Board of Directors at its meeting on *11 Dec 1998*
and signed on its behalf by:

B R-D Fisher

John Brown

**HORWATH
CLARK WHITEHILL**

Chartered Accountants

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**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE YEHUDI MENUHIN SCHOOL LIMITED**



We have audited the financial statements on pages 7 to 18 which have been prepared under the accounting policies set out on page 10 and 11.

Respective Responsibilities of The directors and auditors

As described on page 5 the directors who also act as the trustees for the charitable activities of The Yehudi Menuhin School Limited are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial 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 directors 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.

Unqualified Opinion

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

11 December 1998

A handwritten signature in black ink, appearing to read 'Horwath Clark Whitehill'.

Chartered Accountants
and Registered Auditors

YEHUDI MENUHIN SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 AUGUST 1998

INCOME & EXPENDITURE	Unrestricted Funds		Endowment Funds	Restricted Funds	1998	1997
	School	Other				
	£	£	£	£	£	£
INCOMING RESOURCES						
Fees receivable	1,001,169	-	-	-	1,001,169	1,007,846
Bursaries income	-	-	-	44,250	44,250	-
Investment income	-	12,058	-	15,000	27,058	67,167
Bank interest	8,051	133	-	876	9,060	6,317
Concert receipts, festivals & events	-	2,491	-	-	2,491	158,311
Donations	1,900	119,722	-	-	121,622	96,394
Legacies	4,843	-	50,000	-	54,843	15,361
Childrens music income	10,172	-	-	-	10,172	5,559
Other income (Note 2)	4,198	1,443	-	-	5,641	3,773
Total Incoming Resources	1,030,333	135,847	50,000	60,126	1,276,306	1,360,728
RESOURCES EXPENDED						
Direct Charitable Expenditure						
Teaching	559,962	15,785	-	-	575,747	569,777
Welfare and catering	154,850	-	-	-	154,850	160,333
Premises	190,957	-	-	-	190,957	141,936
School support costs	126,517	12	-	-	126,529	117,716
Grants awards & prizes	-	395	-	25,609	26,004	21,235
Bursaries	-	-	-	54,159	54,159	135,147
	1,032,286	16,192	-	79,768	1,128,246	1,146,144
Other Expenditure						
Fund-raising & publicity	27,675	-	-	-	27,675	11,457
Management & administration of the charity	20,501	-	-	-	20,501	15,912
Finance & other costs	629	-	-	-	629	3,505
	48,805	-	-	-	48,805	30,874
Total Resources Expended (Note 5)	1,081,091	16,192	-	79,768	1,177,051	1,177,018
NET INCOMING RESOURCES BEFORE TRANSFERS	(50,758)	119,655	50,000	(19,642)	99,255	183,710

The notes on pages 10 to 18 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
YEAR ENDED 31 AUGUST 1998

	Unrestricted Funds		Endowment Funds £	Restricted Funds £	1998 £	1997 £
	School £	Other £				
NET INCOMING RESOURCES BEFORE TRANSFERS	(50,758)	119,655	50,000	(19,642)	99,255	183,710
Transfers (Note 11)	<u>53,189</u>	<u>1,024</u>		<u>(54,213)</u>	<u>-</u>	<u>-</u>
	2,431	120,679				
Net incoming resources	123,110		50,000	(73,855)	99,255	183,710
Gains on investments						
Realised	-		35,136	-	35,136	1,698
Unrealised	-		<u>15,370</u>	<u>-</u>	<u>15,370</u>	<u>139,601</u>
Net Movement in Funds	<u>123,110</u>		<u>100,506</u>	<u>(73,855)</u>	<u>149,761</u>	<u>325,009</u>
Balances brought forward	2,142,372		-	574,230	2,716,602	2,391,593
Re-classification of funds (Note 14)	<u>(2,500)</u>		<u>489,196</u>	<u>(486,696)</u>	<u>-</u>	<u>-</u>
Balances brought forward as restated	<u>2,139,872</u>		<u>489,196</u>	<u>87,534</u>	<u>2,716,602</u>	<u>2,391,593</u>
Balances carried forward	<u>2,262,982</u>		<u>589,702</u>	<u>13,679</u>	<u>2,866,363</u>	<u>2,716,602</u>

The notes on pages 10 to 18 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
BALANCE SHEET
AS AT 31 AUGUST 1998

	Notes	1998 £	£	1997 £
FIXED ASSETS				
Tangible assets	6	2,378,044		1,846,394
Investments	7	<u>402,428</u>		<u>651,021</u>
		2,780,472		2,497,415
CURRENT ASSETS				
Debtors	8	115,706		120,390
Cash at bank and in hand		<u>108,991</u>		<u>251,866</u>
		224,697		372,256
CREDITORS				
Amounts falling due within one year	9	<u>138,806</u>		<u>153,069</u>
NET CURRENT ASSETS			85,891	219,187
NET ASSETS			2,866,363	2,716,602
RESERVES				
Endowment Funds	10b	589,702		-
Restricted Funds	10a	13,679		574,230
Designated Funds	10c	41,387		588,299
Capital Fund	10c	-		1,248,135
General Reserve	10c	-		305,938
Fixed Asset Reserve	10c	<u>2,221,595</u>		<u>-</u>
	12		2,866,363	2,716,602

Approved by the directors on
and signed on their behalf by:

11 December 1998

B R-D Fisher Director

John Brown

The notes on pages 10 to 18 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting by Charities.

b) Fees receivable and similar income

Fees receivable comprises tuition fees charge to pupils, net scholarships, concessions and bursaries.

c) Bursary Funds

The School receives some of its income primarily for the provision of scholarships bursaries and prizes. These amounts are held within restricted funds.

d) Donations

Donations received for the general purpose of the School are credited to the School's Funds. Donations subject to specific wishes of the donors are carried to the relevant restricted fund.

e) Resources expended

Expenditure is classified under the two principal categories of Direct Charitable Expenditure and Other Expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Direct Charitable Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising and publicity costs are those incurred in attracting students and seeking voluntary contributions for the School. Management and administration costs are those incurred in connection with the management of the School's assets, organisational administration and compliance with constitutional and statutory requirements.

f) Value Added Tax

The School is not registered for value added tax. All expenditure is therefore included under the expense headings to which it relates inclusive of any value added tax.

g) Taxation

The School is a registered Charity and is exempt from taxation on income arising from and expended on its charitable activities.

h) Pension Costs

The Society makes payments to defined contribution pension schemes on behalf of qualifying employees. Such contributions are charged in the Statement of Financial Activities when made. The contributions are invested separately from the School's assets.

i) Land and Buildings

Land and buildings are carried in the balance sheet at their cost less depreciation as the Governors consider it is not appropriate to apply a current value to such property. The cost of new buildings is added to fixed assets as it is incurred. The costs incurred in doing so, which can include major building modernisation and improvement, are written off as incurred.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

1. ACCOUNTING POLICIES (CONTINUED)

j) Depreciation

Freehold buildings are depreciated at the rate of 2% of the acquisition cost. 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. Pianos and other keyboard instruments are being depreciated over 10 years, whereas all other musical instruments are written off in the year of acquisition.

	1998	1997
	£	£
2. OTHER INCOME		
Audition fees	600	843
Rent receivable	1,518	1,130
Sundry income	3,523	1,800
	5,641	3,773

3. RESOURCES EXPENDED

Other expenditure includes:

Auditors' remuneration:

For audit	5,100	6,815
For other services	-	1,116
	5,100	7,931

4. STAFF COSTS

Wages and salaries	639,330	616,055
Social security costs	47,148	56,832
Pension contributions	18,191	11,119
	704,669	684,006

The average number of employees in the year was 49 (1997 - 45) of which 37 were teaching staff. Neither the governors nor persons connected with them received any remuneration, other benefits or reimbursement of expenses from the school.

There were no employees with emoluments exceeding £40,000.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	1998 Total £
Direct Charitable Expenditure				
Teaching	531,129	32,024	12,594	575,747
Welfare and catering	79,164	68,208	7,478	154,850
Premises	18,290	127,991	44,676	190,957
School support costs	76,086	50,443	-	126,529
Grants awards & prizes	-	26,004	-	26,004
Bursaries	-	54,159	-	54,159
Other Expenditure				
Fund-raising & publicity	-	27,675	-	27,675
Management & administration of the charity	-	20,501	-	20,501
Finance & other costs	-	629	-	629
	<u>704,669</u>	<u>407,634</u>	<u>64,748</u>	<u>1,177,051</u>

				1997 Total £
Direct Charitable Expenditure				
Teaching	547,224	22,553	-	569,777
Welfare and catering	60,268	100,065	-	160,333
Premises	15,500	93,583	32,853	141,936
School support costs	61,014	46,069	10,633	117,716
Grants awards & prizes	-	21,235	-	21,235
Bursaries	-	135,147	-	135,147
Other Expenditure				
Fund-raising & publicity	-	11,457	-	11,457
Management & administration of the charity	-	15,912	-	15,912
Finance & other costs	-	3,505	-	3,505
	<u>684,006</u>	<u>449,526</u>	<u>43,486</u>	<u>1,177,018</u>

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

6. FIXED ASSETS	Freehold buildings £	Freehold land £	Musical instruments £	Furniture and academic equipment £	Motor vehicles £	Total £
COST						
1 September 1997	1,642,650	175,000	108,489	173,828	35,826	2,135,793
Additions	523,405	-	51,201	1,357	21,547	597,510
Disposals	-	-	-	-	(5,000)	(5,000)
31 August 1998	<u>2,166,055</u>	<u>175,000</u>	<u>159,690</u>	<u>175,185</u>	<u>52,373</u>	<u>2,728,303</u>
DEPRECIATION						
1 September 1997	69,866	-	19,355	173,826	26,352	289,399
Charge	43,319	-	12,594	1,357	7,478	64,748
Disposals	-	-	-	-	(3,888)	(3,888)
31 August 1998	<u>113,185</u>	<u>-</u>	<u>31,949</u>	<u>175,183</u>	<u>29,942</u>	<u>350,259</u>
NET BOOK VALUE						
At 31 August 1998	<u>2,052,870</u>	<u>175,000</u>	<u>127,741</u>	<u>2</u>	<u>22,431</u>	<u>2,378,044</u>
<i>At 31 August 1997</i>	<u>1,572,784</u>	<u>175,000</u>	<u>89,134</u>	<u>2</u>	<u>9,474</u>	<u>1,846,394</u>

7. INVESTMENTS	1998 £	1997 £
Market value at 1 September 1997	651,021	738,385
Additions	-	-
Disposals at opening market value	(263,963)	(226,965)
Uplift to market value at year end	<u>15,370</u>	<u>139,601</u>
Market value at 31 August 1998	<u>402,428</u>	<u>651,021</u>
Historic cost at 31 August 1998	<u>245,053</u>	<u>231,612</u>
General	-	164,325
Bursary endowments	<u>402,428</u>	<u>486,696</u>
	<u>402,428</u>	<u>651,021</u>

Included within Cash at Bank are investment portfolio cash balances of £4,479 (1997 £156,256).

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

8. DEBTORS

	1998	1997
	£	£
Income Tax recoverable	3,970	-
Fees and recharges receivable	50,316	100,748
Other debtors	313	361
Prepayments	11,107	19,281
Legacies	50,000	-
	115,706	120,390

9 CREDITORS

Fees received in advance	31,180	12,767
PAYE and NIC	14,504	13,957
Accruals	87,122	126,345
Loan from the Friends of Yehudi Menuhin School	6,000	-
	138,806	153,069

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

10A RESTRICTED FUNDS	Balance b/fwd	Income	Incoming	Resources	Expended	Transfers	Re-classification	Balance c/fwd
	£	£	Resources	£	£	£	of funds	£
Bursary Endowment Funds								
Esso/Westminster	22,754	4,373	1,045	(5,418)	-	-	(22,754)	-
Eta Herbst	274,807	-	8,252	(8,252)	-	-	(274,807)	-
Cholmondeley	132,971	-	3,993	(3,993)	-	-	(132,971)	-
Sherman	13,297	-	399	(399)	-	-	(13,297)	-
Jeanty Raven	-	-	180	(180)	-	-	-	837
Miller Smiths Scholarship	-	837	-	-	-	-	-	-
Fermoy Masterclass Fund	22,163	1,658	665	(1,482)	-	-	(22,163)	841
Distributable Awards								
Sir Ronald Harris	10,039	1,333	876	-	-	-	(10,039)	2,209
Brackenbury	10,665	1,145	466	(420)	-	-	(10,665)	1,191
Prize Fund	-	1,024	-	-	(1,024)	-	-	-
Louis Kentner Memorial Fund	-	15,374	44,250	(59,624)	-	-	-	-
Albert Cowie	-	1,165	-	-	-	-	-	1,165
Sane Peace	-	227	-	-	-	-	-	227
Elsie & Leo Cross Trust	-	3,500	-	-	-	-	-	3,500
S D Whithead	-	500	-	-	-	-	-	500
Piano Appeals Fund	3,209	-	-	-	-	-	-	3,209
Piano Reserve Fund	53,189	-	-	-	(53,189)	-	-	-
	<u>543,094</u>	<u>31,136</u>	<u>60,126</u>	<u>(79,768)</u>	<u>(54,213)</u>	<u>(486,696)</u>	<u>13,679</u>	

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

10B ENDOWMENT FUNDS

	Incoming resources £	Reclassification of funds £	Investment Gains £	Balance Carried forward £
Bursary Endowments				
Esso/Westminster	-	22,754	1,190	23,944
Eta Herbst	-	274,807	29,941	304,748
Cholmondeley	-	132,971	14,488	147,459
Sherman	-	13,297	1,449	14,746
Jeanty Raven	-	2,500	-	2,500
Madame Phyllis Baker Scholarship	50,000	-	-	50,000
Fermoy Masterclass	-	22,163	2,414	24,577
Distributable Awards				
Sir Ronald Harris	-	10,039	-	10,039
Brackenbury	-	10,665	1,024	11,689
	50,000	489,196	50,506	589,702

10C UNRESTRICTED FUNDS

	Balance b/fwd £	Incoming resources £	Resources expended £	Transfers £	Reclassification of funds £	Balance c/fwd £
Development Project	564,723	118,665	(15,797)	(667,591)	-	-
Income Fund	11,781	12,191	-	-	-	23,972
Student aid	11,795	2,491	(395)	-	-	13,891
Prize Fund	-	-	-	1,024	-	1,024
Wallace Curzon	-	2,500	-	-	-	2,500
	588,299	135,847	(16,192)	(666,567)	-	41,387
General Reserve	305,938	1,030,333	(1,081,091)	(252,680)	(2,500)	-
Capital Fund	1,248,135	-	-	(1,248,135)	-	-
Fixed Assets	-	-	-	2,221,595	-	2,221,595
	2,142,372	1,166,180	(1,097,283)	54,213	(2,500)	2,262,982

11. RESTRICTED FUNDS

Bursary Endowment Funds

These funds arise from legacies, grants and donations made for the specific purpose of providing bursaries to students; the recipients and amounts of bursaries are determined by the Headmaster and Governors.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 1998

11. RESTRICTED FUNDS (Continued)

Fermoy

This endowment from Lady Fermoy is to fund Masterclasses by visiting teachers for pupils at the School.

Distributable Awards

These represent donations given to provide awards to students, but are not specifically invested.

Piano Appeals Fund

This represents amounts donated to fund the purchase of pianos and other keyboard instruments. In addition to the musical instruments, the unexpended cash funds of £3,209 were held separately at 31 August 1998.

The following transfers between funds were made during the year.

- £1,024 was transferred between the restricted funds and designated fund to correctly classify the prize fund as a designated fund.
- £53,189 has been transferred from restricted funds to the school fund in respect of the Piano Reserve Fund as this amount has been expended but the depreciation on these assets was charged in previous years against the general fund.

ENDOWMENT FUNDS

These are funds where the governors are required to hold the capital and are not entitled to convert it to income. Income arising from these funds is included within restricted funds and is spent in line with the wishes of the donor.

UNRESTRICTED FUNDS

Income Fund

This includes income from quoted investments and investment deposits from which awards and bursaries are granted at the discretion of the Headmaster and Governors.

Student Aid

These funds have principally derived from the efforts of students, i.e. concerts and recitals, and is designated to be used for the benefit of students, rather than the School generally.

Fixed Asset Fund

The fixed asset fund represents reserves earmarked by the governors equating to the amount of funds spent on tangible fixed assets. This has been created by transferring the remainder of the funds from the development project fund, capital fund and general reserves.

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12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment £	Expendable Endowment £	Unrestricted Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	-	-	2,378,044	-	2,378,044
Investments	402,428	-	-	-	402,428
Net current assets	<u>137,274</u>	<u>50,000</u>	<u>(115,062)</u>	<u>13,679</u>	<u>85,891</u>
Total Net Assets	<u>539,702</u>	<u>50,000</u>	<u>2,262,982</u>	<u>13,679</u>	<u>2,866,363</u>

13. CAPITAL COMMITMENT

At 31 August 1998 capital expenditure contracted for in respect of new buildings totalled £19,329 (1997: £366,300).

14. RE-CLASSIFICATION OF FUNDS

The Governors have considered the nature of funds held and as a result have re-classified certain funds, previously identified as restricted funds, to endowment funds. This is reflected at the foot of the Statement of Financial Activities on page 8.