

COMPANIES  
HOUSE

**TEMPLE GROVE SCHOOL TRUST LIMITED**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT**

**AND ACCOUNTS**

**YEAR ENDED 31 AUGUST 2005**

haysmacintyre  
Chartered Accountants  
London

Registered Company No: 576922  
Registered Charity No: 307016



**TEMPLE GROVE SCHOOL TRUST LIMITED**

**PROFESSIONAL ADVISORS AND KEY PERSONNEL**

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Headmaster                      M H Kneath                      (until April 2005)

Company Secretary              A J Baker                      (until 30 January 2005)  
   R C Atwood                      (from 31 January 2005)

Bankers                              National Westminster Bank Plc  
   49 High Street  
   Uckfield  
   East Sussex  
   TN22 1AN

Solicitors                              Lee Bolton Lee  
   1 The Sanctuary  
   Westminster  
   London  
   SW1P 3JT

Auditors                              haysmacintyre  
   Fairfax House  
   15 Fulwood Place  
   London  
   WC1V 6AY

# TEMPLE GROVE SCHOOL TRUST LIMITED

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2005

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The Trustees present their report and audited financial statements for the year ended 31 August 2005. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by charities" issued in October 2000, applicable law and the memorandum and articles of the company.

### STATUS AND ADMINISTRATION

The company is limited by guarantee, number 576922 and is a charitable trust registered with the charity commission number 307016. The Trustees determine the general policy of the trust.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was the running of an Independent Preparatory School.

### REVIEW OF THE ACTIVITIES OF BUSINESS

A summary of the results of the activities for the year is given on page 5 of the financial statements. The net outgoing resources for the year amounted to £429,489 (2004: £148,621). There were no additions to fixed assets in the year.

As a result of falling pupil numbers at Temple Grove School after July 2004 and the consequent financial losses being incurred by the Trust, the Trustees closed the school at the end of the Winter Term 2004.

### FUTURE DEVELOPMENTS

The Trustees exchanged contracts for the sale of the Temple Grove estate in January 2006 for £3,650,000. Completion is scheduled to take place at the end of July 2006. The Trustees are considering the options available to them, within the terms of the Objects of the Trust, for the use of the funds which will arise from the sale of the Temple Grove estate for other educational or related purposes.

### TRUSTEES

The Trustees are also the directors of the company. The Charity Trustees, who served during the year were:

Chairman	D A B Lough
Other Trustees	R C Atwood P R Brown Mrs K Franklin C J Hall R K Rice (appointed 6 December 2004) O Skeen (appointed 6 December 2004)

### RISK MANAGEMENT

The Trustees have assessed the major risks to which the trust is exposed, in particular those related to the school's operations and finances, and are satisfied that there are systems in place to mitigate exposure to such risks.

# TEMPLE GROVE SCHOOL TRUST LIMITED

## TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2005

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### RESERVES POLICY

Following the closure of the school in 2004, losses on the sale of fixed assets and various closure costs were incurred. This, together with reduced fee receipts, generated net outgoing resources in the year, substantial enough to result in a deficit on reserves at 31 August 2005 of £209,741. The Trustees are in the process of completing the sale of the school property which should generate funds enough to provide the trust with significant free reserves for the future.

The Trustees will review the reserves policy on completion of sale of the school estate and subsequently on an annual basis.

### INDEMNITY INSURANCE

The school obtained Indemnity Insurance for Trustees from HSBC with a limit of £1m.

### STATEMENT OF TRUSTEES RESPONSIBILITIES

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

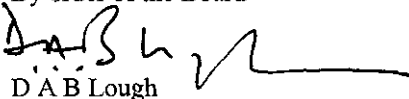
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

Messrs haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board

  
D A B Lough

3 April 2006

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
TEMPLE GROVE SCHOOL TRUST LIMITED**

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We have audited the financial statements of Temple Grove School Trust Limited for the year ended 31 August 2005 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As described in the Statement of Trustees' Responsibilities the charity's Trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of Temple Grove School Trust Limited for the purposes of Company Law.

Our responsibility is 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 Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the Trustees' 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 apparent material inconsistencies with the financial statements.

**BASIS OF AUDIT OPINION**

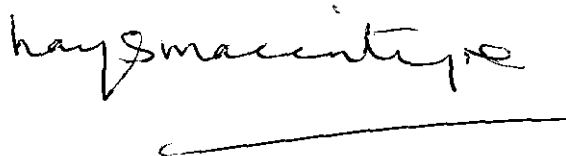
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 the charity's affairs as at 31 August 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

haysmacintyre  
Chartered Accountants  
Registered Auditors



Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

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..... April 2006

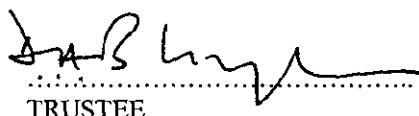
**TEMPLE GROVE SCHOOL TRUST LIMITED**

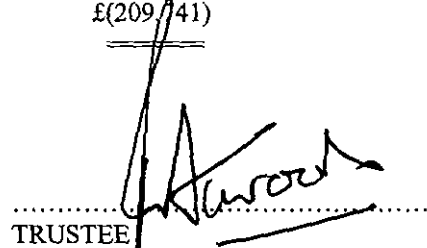
**BALANCE SHEET**

**AS AT 31 AUGUST 2005**

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	6	562,459	631,801
<b>CURRENT ASSETS</b>			
Debtors -			
Fees and extras in arrears		-	30,098
Other debtors, stocks and prepayments		73	12,193
Total debtors		73	42,291
Cash at bank and in hand		17,321	595
		17,394	42,886
<b>CREDITORS - due within one year</b>			
Other creditors	7	(153,853)	(302,997)
<b>NET CURRENT LIABILITIES</b>			
		(136,459)	(260,111)
Total assets less current liabilities		426,000	371,690
<b>CREDITORS - due after more than one year</b>			
Other creditors	8	-	(39,442)
Secured loans	9	(635,741)	(112,500)
		(635,741)	(151,942)
<b>TOTAL NET ASSETS</b>	10	£(209,741)	£219,748
<b>UNRESTRICTED FUNDS</b>			
- General	10	£(209,741)	£219,748

Signed on behalf of the Board on 3 April 2006

  
.....  
TRUSTEE

  
.....  
TRUSTEE

The accompanying notes are an integral part of this balance sheet.

**TEMPLE GROVE SCHOOL TRUST LIMITED****STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 AUGUST 2005**

	Notes	2005 Total £	2004 Total £
<b>INCOMING RESOURCES</b>			
Charitable activities:			
Fees receivable	1	15,113	943,707
Other income	2	12,431	15,016
Activities for generating funds:			
Other income	2	-	10,327
Donations		-	52,768
Interest receivable	3	1,282	541
Other income		4,236	238
Total Incoming Resources		33,062	1,022,597
<b>RESOURCES EXPENDED</b>			
Costs of generating funds:			
Finance costs		54,246	13,717
Charitable Expenditure:			
Teaching costs		149,675	669,770
Welfare		20,277	113,085
Premises		115,057	145,831
Support costs		66,978	214,414
Management and administration		56,318	14,401
Total Resources Expended	5	462,551	1,171,218
<b>NET OUTGOING RESOURCES</b>		(429,489)	(148,621)
Balance brought forward at 1 September 2004		219,748	368,369
Balance carried forward at 31 August 2005		£(209,741)	£219,748

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The charity's principal activity of running an independent preparatory school was discontinued in the year. The above income and expenditure relate to the discontinued activity.

The notes on pages 6 to 9 are an integral part of this statement.

# TEMPLE GROVE SCHOOL TRUST LIMITED

YEAR ENDED 31 AUGUST 2005

## ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000. The particular accounting policies adopted are described below.

The financial statements are prepared on the basis that the charity is a going concern. Although the charity currently holds negative reserves, the value of its freehold property far exceeds its carrying value within the financial statements. It is on this basis that financial assistance has been provided by the bank for the charity to meet the costs of winding down its schooling activities pending the completion of the 'sale of the school property.

**a. Accounting Convention:**

The accounts have been prepared under the historical cost convention.

**b. Depreciation:**

Depreciation is provided on fixed assets to write off their cost over estimated useful lives at the following rates:

Freehold property	- 2% on cost
Equipment	- 25% on cost
Computers	- 25% on cost
Motor vehicles	- 25% on cost
Plant	- 10% on cost

**c. Funds:**

**Unrestricted Fund**

Unrestricted funds comprise of the accumulated surplus or deficit from the Statement of Financial Activities which are not restricted nor designated. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

**d. Pension Scheme:**

The school contributes to the Teachers Superannuation Defined Contribution Scheme at rates set by the scheme actuary.

**e. Incoming Resources:**

Incoming resources comprises fees receivable from school activities less bursaries and allowances and other income derived from the trust's continuing activities.

**f. Resources Expended:**

Resources expended is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

<b>1. FEES RECEIVABLE</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Fees receivable consist of:		
- Gross fees	15,476	964,575
- Less: Total bursaries, scholarships and allowances	(1,131)	(40,680)
	<u>14,345</u>	<u>923,895</u>
Other fees and disbursements	768	19,812
	<u>£15,113</u>	<u>£943,707</u>



**TEMPLE GROVE SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (Continued)**

**YEAR ENDED 31 AUGUST 2005**

<b>2. OTHER INCOME</b>	<b>2005 £</b>	<b>2004 £</b>
Charitable activities:		
Courses	-	7,187
Property rental and lettings	12,431	7,829
	<u>£12,431</u>	<u>£15,016</u>
Activities to generate funds:		
Commission	-	1,186
Miscellaneous	-	9,141
	<u>£ -</u>	<u>£10,327</u>
<b>3. INTEREST RECEIVABLE</b>	<b>2005 £</b>	<b>2004 £</b>
Bank deposits	1,090	441
Late payment interest	192	100
	<u>£1,282</u>	<u>£541</u>
<b>4. RESOURCES EXPENDED</b>	<b>2005 £</b>	<b>2004 £</b>
Other expenditure includes:		
Auditors Remuneration		
- Audit	4,700	7,400
- Other services	-	-
Total Staff Costs:		
Salaries and wages	186,746	704,420
Social security costs	17,333	53,734
Pension contribution	16,771	62,240
Health Insurance	1,738	3,602
Redundancy costs	-	55,152
	<u>£222,588</u>	<u>£879,148</u>
Number of employees with emoluments exceeding £50,000:		
£50,001 - £60,000	-	1
The average weekly number of employees during the year was made up as follows:		
Teaching	5	21
Other	3	12
	<u>8</u>	<u>33</u>

One Trustee, Mr R Atwood, received £24,445 during the year for professional services involved in winding up the activities of the school and administering the sale of the school premises. There were no other payments to Trustees or other related parties during the period. No travel expenses were reimbursed to any Trustee.

**TEMPLE GROVE SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (Continued)**

**YEAR ENDED 31 AUGUST 2005**

**5. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £	Other £	Depreciation £	Total £
Finance costs	-	54,246	-	54,246
Teaching costs	148,371	1,304	-	149,675
Welfare	19,439	838	-	20,277
Premises	32,095	65,922	17,040	115,057
Support costs	22,683	44,295	-	66,978
Management and administration	-	56,318	-	56,318
	<u>£222,588</u>	<u>£222,923</u>	<u>£17,040</u>	<u>£462,551</u>

**6. TANGIBLE FIXED ASSETS**

The movement of tangible fixed assets were as follows:

	Freehold Property £	Plant £	Equipment £	Motor Vehicles and Garden Equipment £	Computers £	Total £
<b>Cost</b>						
At 1 September 2004	852,023	24,969	116,542	53,952	71,007	1,118,493
Disposals	-	(24,969)	(116,542)	(53,952)	(71,007)	(266,470)
At 31 August 2005	<u>852,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,023</u>
<b>Depreciation</b>						
At 1 September 2004	272,524	3,133	110,999	46,077	53,959	486,692
Charge for the year	17,040	-	-	-	-	17,040
Eliminated on disposals	-	(3,133)	(110,999)	(46,077)	(53,959)	(214,168)
At 31 August 2005	<u>289,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,564</u>
<b>Net Book Value</b>						
At 31 August 2005	<u>£562,459</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£562,459</u>
At 31 August 2004	<u>£579,499</u>	<u>£21,836</u>	<u>£5,543</u>	<u>£7,875</u>	<u>£17,048</u>	<u>£631,801</u>

**7. CREDITORS - due within one year**

	2005 £	2004 £
Bank overdraft	-	158,340
Lump sum fees	-	5,659
Trade creditors	6,330	278
Other tax and social security	749	16,083
Pupil deposits	-	3,450
Bank loan (secured)	-	5,000
Secured loan (see note 9 below)	125,000	12,500
Staff salaries	-	44,696
Other creditors and accruals	21,774	56,991
	<u>£153,853</u>	<u>£302,997</u>

**TEMPLE GROVE SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (Continued)**

**YEAR ENDED 31 AUGUST 2005**

8. CREDITORS - due after more than one year	2005	2004
	£	£
Bank loan (secured)	-	39,442
	£ -	£39,442
9. SECURED LOANS	2005	2004
	£	£
At 1 September 2004	125,000	125,000
Received in the year	635,741	-
Repaid in the year	-	-
	£760,741	£125,000
Repayable within one year (see note 7 above)	125,000	12,500
Repayable after more than one year	635,741	112,500
	£760,741	£125,000

The capital on the Bursary Fund loan of £125,000 is repayable in 10 equal annual instalments beginning on 30 December 2005. Interest is payable at a rate of 1% per annum above the base lending rate of National Westminster Bank plc. The Bursary Fund trustees have agreed to defer any payments on the loan until the sale of the estate has been completed in July 2006.

The bank loan with a balance of £635,741 at the year end bears interest payable at a rate of 2% above Bank of England base rate and is repayable on 30 September 2006.

The loans are secured on the freehold property of the charity. A deed of priority signed in September 2004 gives preference to the bank loan over the Bursary Fund loan on the charge over the school's assets.

**10. TAXATION**

The company is a registered charity and no taxation is payable on its income.

**11. POST BALANCE SHEET EVENT**

A contract for sale of the estate property for £3,650,000 was exchanged in January 2006. Completion is expected to take place in July 2006.