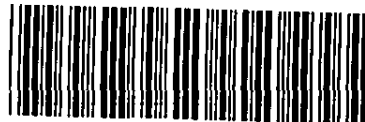


CHARITY NUMBER 310281  
COMPANY NUMBER 722996

ALL HALLOWS (CRANMORE HALL)  
SCHOOL TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 2008

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**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

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**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**CHARITY INFORMATION**

<b>Charity Registration Number:</b>	310281
<b>Company Registration Number:</b>	722996
<b>Company Secretary:</b>	M Gardiner
<b>Registered Office:</b>	Cranmore Hall Cranmore Shepton Mallet Somerset BA4 4SF
<b>Headmaster:</b>	I Murphy, BA Hons, PGCE (Durham)
<b>Bursar and Clerk to the Governors</b>	M Gardiner

**DIRECTORS AND TRUSTEES**

The directors of the School are its trustees for the purpose of charity law and throughout this report are collectively referred to as the governors. The governors serving during the year and since the year end are set out below, (those governors which served on the Finance Committee are shown (FC))

P M Nixon, CMG, OBE (FC)  
R C J Dick, CBE (resigned 6 November 2008)  
Dom Leo Maidlow Davis  
Mrs S M Goodson (FC) (resigned 5 July 2008)  
P E Greenrod (FC)  
A Jolliffe (FC)  
Dr R G G Mercer (resigned 5 July 2008)  
Mrs M Rees-Mogg  
M Russell (FC)  
P Peters  
N Howlett  
Mrs E Logan (appointed 19 February 2008, resigned 3 September 2008)

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**PROFESSIONAL ADVISERS**

**Auditor:** Old Mill Accountancy LLP  
Chartered Accountants and Registered Auditor  
The Old Mill  
Park Road  
Shepton Mallet  
Somerset  
BA4 5BS

**Bankers:** Lloyds Bank Plc  
5 High Street  
Shepton Mallet  
Somerset  
BA4 5AB

**Solicitors:** Messrs Veale Wasbrough  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5NS

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

The governors present their report and the audited financial statements for the year ended 31 August 2008. The report also serves as a directors' report required by Section 234 of the Companies Act 1985.

The reference and administrative information set out on page 1 forms part of this report.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The All Hallows (Cranmore Hall) School Trust Limited (Company Limited by Guarantee), the charity, is referred to throughout this report as the School.

The School is a charitable company limited by guarantee, incorporated on 3 May 1962 and registered as a charity on 18 September 1962. The guarantors are the members to the extent of £10 each.

The governing documents are the memorandum and articles of association.

### **Governors and Management**

The governors of the School are a self-appointed body. Service on the board is for a period of three years. Retiring governors can be re-elected. When vacancies arise on the board an appraisal is made of the current skills mix and, as far as possible, new governors are sought to fill skill gaps. New governors are provided with key constitutional and financial information and encouraged to spend time with the Bursar and Headmaster so that they are fully briefed on the School. The training requirements of the governors are kept under review.

No governor has any material interest in contracts with the School either directly or indirectly other than as a parent of a child at the School. During the year two governors had one child at the School, who received a discretionary discount amounting to 10% of the fees and one governor had one child at the School who received a discretionary discount amounting to 18% of the fees.

The day to day running of the School is delegated to the Headmaster and the Bursar.

The major risks to which the School is exposed, as identified by the governors, have been reviewed and systems have been established to mitigate those risks.

## **OBJECTIVES AND ACTIVITIES**

The objects of the School are to provide for the education of children and the provision of exhibitions, prizes, rewards and scholarships to prospective, present and past students. These objects are met through the one activity of operating and developing All Hallows (Cranmore Hall) School (The School). The School is for boys and girls aged 4 to 13 which includes day and boarding provision.

## **ACHIEVEMENTS AND PERFORMANCE**

The academic year 2007-2008 proved to be another successful year in terms of the achievements of pupils and staff and in meeting the essential purpose of All Hallows School, which is to provide education for young children within a Christian setting. The aim of the school is to develop each child's talents so they may live life to the full. The happiness, confidence and self-esteem of the individual are supported through academic, extra-curricular, sporting, music and drama activities, developing the individual in preparation for Senior School, and having regard for each boy or girl's interests, talents, temperaments and potential.

Recruitment was strong with pupil numbers averaging 283 for the academic year. This is against an average of 265 in 2006/07 and 247 in 2005/06. This growth in pupil numbers continues into the next academic year (2008/09) with starting numbers of 289 pupils. Registrations for 2009/10 and 2010/11 are also strong at this stage.

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

This year has witnessed three official inspections here at the school, each focusing upon different aspects of our provision, and all three have been a resounding success. First off in January was the inspection of our Induction and Support Programme for new and recently qualified teachers. Our provision was judged to be 'excellent'. Later in January/early February saw a full inspection by Ofsted of our boarding and pastoral systems throughout the school. This yielded outstanding feedback in the most significant categories and good results in the peripheral areas. Finally, in July, Ofsted visited for a full inspection of our teaching/learning provision for the Reception children (Foundation Stage). This provision was judged to be outstanding in every category.

The School continued its academic success story with another year of high achievement. Twenty-seven awards were gained by leaving pupils and all other pupils successfully passed through the Common Entrance or other entry examinations to their first-choice senior schools.

The sporting year was, once again, very successful. Sport remains a central plank of the School's appeal with all children at team playing age having the opportunity to represent the School in competitive matches. There were many outstanding team and individual performances of which the following are highlighted: the boys' hockey first team were Somerset County champions, the Under 10s won the County tournament and the Under 9s were runners up in the County tournament. The boys' rugby team had a successful year resulting in four members of the senior team being selected for the County Squad. In boys' cricket, the first team were runners up at the Prior Park tournament and had a successful tour to Felsted. Girls' hockey proved their strength of depth with the first team being runners up in the regional IAPS tournament, the Under 11s were runners up in the County tournament and semi-finalists in the regional IAPS tournament and the Under 9s were semi-finalists in the Millfield tournament. Three senior players were selected for the County Squad. In addition, four senior players were selected for the County Netball Squad with the first team being finalists at both the county and regional IAPS tournaments. Other sports also featured prominently with 6 pupils qualifying for the National Athletics Finals in Birmingham, a team of 16 attended the National IAPS Tennis Tournament and a team of 12 entered in to the National IAPS Trampolining competition for the first time.

During another busy and successful year in the fields of Music and Drama, over 40 pupils represented All Hallows at the Mid Somerset Festival in Bath where they gained numerous Commendations, Merits and Distinctions. The School staged a number of hugely successful and popular productions throughout the year. The School Choir embarked on a highly successful tour of Rome where they performed for Mass at Frascati Cathedral and gave a concert at the Abbey of San Anselmo. Other notable activities included the hosting of the annual Rotary Music Festival, a visit to the Band of the Lifeguards at Windsor, work with the British composer Will Todd and participation in a Jazz workshop at Sherborne Festival.

Development of the School infrastructure and facilities continued with the installation of numerous interactive whiteboard suites, the introduction of an extranet for parents in order to facilitate communication, further development of the dormitories, refurbishment of kitchen facilities and an upgrade to the school heating systems.

The School has continued its good work with regard to charitable activities with significant fund-raising being carried out on behalf of Save the Children, The British Legion, NSPCC, Tusk Trust, Sanga School (Kenya), Cancer Research and the Army Benevolent Fund among others.

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

The School uses its resources to fund as many bursaries as possible, in the belief that good education is a public benefit as well as a benefit to the individuals concerned. We also continue to develop links with the local community, some examples of which are as follows:

- Free access to the Tennis Academy for local state school children
- The use of the sports hall by Jump Jets Trampolining Club
- Access to Forest School days for local children during the holidays
- Hosting of the annual Rotary Music Festival – inviting state schools to All Hallows for a chance to perform and gain feedback
- Use of cricket nets by local youth cricket team (in progress)
- We are forming a link with Bath Spa University for teacher training purposes – to see our outdoor education and Forest School programme in action. We have also worked with music students from the university, focusing upon opera etc with year 8. We are providing the University with free facilities and resources where applicable.

**Plans for the Future**

The longer term aim of the School is to

- ensure that the School continues to meet its legal objectives,
- maintain a high level of teaching, both academic and non-academic so that all pupils develop to their maximum potential,
- maintain a high level of pupil recruitment and retention,
- maintain the fabric of the School's buildings and estate with a high level of ongoing maintenance, and
- expand its reach in extending public benefit to the wider community

**FINANCIAL REVIEW**

**Financial Results**

Pupil numbers rose in 2008 compared to 2007 from an average of 265 to 283. The net impact of the rise in pupil numbers and the fee rate rise was that fee income rose by £237,429 to £2,852,907 (2007 £2,615,478). Overall there was a surplus of £78,213 (2007 deficit £101,379).

There is a rise in the number of pupils enrolled for Michaelmas 2008 term compared with Michaelmas 2007. It is anticipated that the financial results will show a surplus for the year ended 31 August 2009. The financial position of the School continues to be strong.

**Scholarships and Bursaries**

This year, the School awarded scholarships and bursaries of £237,329 (2007 £202,377) all from unrestricted funds. The governors' policy, in line with other independent schools, is to award the scholarships on the basis of educational ability.

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**FINANCIAL REVIEW (CONTINUED)**

**Reserves**

The reserves of the School at the year end that are freely available for charitable use are as follows

	2008 £	2007 £
Total Funds as at 31 August (as per page 6)	2,334,061	2,255,848
Tangible Fixed Assets Used for Charitable Purposes Forming Part of Unrestricted Funds	(2,120,995)	(2,104,629)
Designated Fund	(10,533)	267
	<hr/>	<hr/>
Free Reserves of the School	202,533	151,486
	<hr/>	<hr/>

Whilst a need for capital projects has been included in the school's development plan, cash generated is utilised for the creation of fixed assets as well as major maintenance and improvements. The bulk of unrestricted reserves is, therefore, invested in buildings and facilities. In the event that no capital improvements are required any free reserves are held pending identification of future development needs.

**Fixed Assets**

The freehold land and buildings of the School were revalued in 1980. The governors are of the opinion that the current open market value on an existing use basis is in excess of book value but, since no subsequent revaluation has been made, they are unable to quantify the excess.

Information relating to fixed assets is set out in note 9 to the financial statements.

**Investment Policy**

The investment policy of the School is to hold any surplus funds in low risk, accessible interest earning accounts.

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

We are required under company law 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 year. In preparing those financial statements we are required to

- select suitable accounting policies and then apply them consistently,
- make reasonable and prudent judgements and estimates,
- follow applicable accounting standards and the Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2005), disclosing and explaining any material departures in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue its activities.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.



**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES (CONTINUED)**

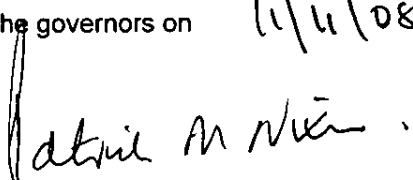
In so far as the governors are aware

- there is no relevant audit information of which the School's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the Special Provisions for Small Companies under Part VII of the Companies Act 1985

Approved by the governors on 11/11/08 and signed on their behalf by

  
P M Nixon, CMG, OBE  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

We have audited the financial statements of All Hallows (Cranmore Hall) School Trust Limited (Company Limited by Guarantee) for the year ended 31 August 2008 which comprises the statement of financial activities, the balance sheet, the cashflow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the School'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 School'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 School and the School's members as a body, for our audit work, for this report or for the opinions we have formed.

**Respective Responsibilities of Governors and Auditor**

The responsibility of the governors for the preparation of the report of the governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) is set out in the statement of governors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 report of the governors is not consistent with the financial statements, if the School 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 governors' remuneration and other transactions are not disclosed.

We read the report of the governors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 of 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the School's affairs as at 31 August 2008 and of the incoming resources and application of those resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the governors' report is consistent with the financial statements

*Old Mill Accountancy LLP*

Old Mill Accountancy LLP  
Chartered Accountants and Registered Auditor  
The Old Mill  
Park Road  
Shepton Mallet  
Somerset  
BA4 5BS

Date *13-11-08*

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

	Note	Unrestricted Funds 2008 £	Unrestricted Funds 2007 £
<b>INCOMING RESOURCES (INCOME)</b>			
Income from Charitable Activities			
School Fees	2	2,852,907	2,615,478
Incoming Resources from Generated Funds			
Other Income	3	51,072	16,682
Interest Receivable	4	23,075	20,934
		<hr/>	<hr/>
Total Incoming Resources		2,927,054	2,653,094
		<hr/>	<hr/>
<b>RESOURCES EXPENDED (EXPENDITURE)</b>			
Charitable Activities			
School Costs	7	2,828,864	2,734,764
Governance Costs	8	19,977	19,709
		<hr/>	<hr/>
Total Resources Expended	7	2,848,841	2,754,473
		<hr/>	<hr/>
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR (NET INCOME/(EXPENDITURE) FOR THE YEAR)</b>			
	5	78,213	(101,379)
<b>FUND BALANCES BROUGHT FORWARD</b>			
		2,255,848	2,357,227
		<hr/>	<hr/>
<b>FUND BALANCES CARRIED FORWARD</b>			
		2,334,061	2,255,848
		<hr/>	<hr/>

All activities of the School are continuing operations

There are no recognised gains or losses other than the net income/(expenditure) for the year shown above

The notes on pages 8 to 16 form an integral part of these financial statements

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTE OF HISTORICAL COST NET INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

	<b>2008</b> <b>£</b>	<b>2007</b> <b>£</b>
Reported Net Income/(Expenditure)	78,213	(101,379)
Difference Between Historical Cost Depreciation Charge and the Actual Charge Calculated on the Revalued Amount	870	870
<b>HISTORICAL COST NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<u>79,083</u>	<u>(100,509)</u>

The above results are from continuing operations

There are no recognised gains or losses other than the net income/(expenditure) for the year shown above

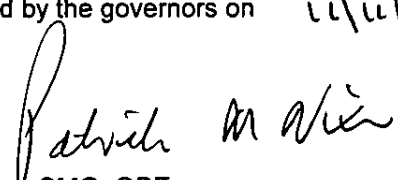
The notes on pages 8 to 16 form an integral part of these financial statements

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET AS AT 31 AUGUST 2008**

	Note	2008	2007
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	9	2,120,995	2,104,629
<b>CURRENT ASSETS</b>			
Stocks	10	34,723	35,992
Debtors	11	283,022	203,489
Cash at Bank and in Hand	16	256,487	300,208
		<hr/>	<hr/>
		574,232	539,689
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	361,166	388,470
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		213,066	151,219
		<hr/>	<hr/>
<b>NET ASSETS</b>		2,334,061	2,255,848
		<hr/>	<hr/>
<b>FUNDS</b>			
Unrestricted Funds			
Designated Fund	13	10,533	(267)
Revaluation Reserve		120,906	120,906
General Funds	13	2,202,622	2,135,209
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		2,334,061	2,255,848
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Approved by the governors on 11/10/08 and signed on their behalf by

  
P M Nixon, CMG, OBE  
Chairman

The notes on pages 8 to 16 form an integral part of these financial statements

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

	Note	2008 £	2007 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	14	91,900	63,711
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Bank Interest Received	15	23,075	20,037
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of Tangible Fixed Assets	9	(158,696)	(109,273)
<b>NET CASH (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES</b>	16	(43,721)	(25,525)
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Cash Removed from/(Added to) Fixed Term Deposits	16	265,562	(11,872)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>	16	221,841	(37,397)

The notes on pages 8 to 16 form an integral part of these financial statements

**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain freehold property, and in accordance with applicable accounting standards, Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2005), the Charities Act 1993 and the Companies Act 1985. The principal accounting policies which the governors have adopted on a consistent basis within that convention are set out below.

**Income and Expenditure Account Format**

Due to the nature of the School the headings required by Schedule 4 of the Companies Act 1985 for the profit and loss account have not been followed as the governors consider that their implementation would not provide a true and fair view. Adoption of the revised income and expenditure account headings have no effect on the surplus for the year.

**Incoming Resources**

Income is recognised in the year in which the School is entitled to receipt and the amount can be measured with reasonable certainty. Fees receivable are stated after deducting scholarships and bursaries.

The School offers parents the opportunity to pay for up to five years tuition fees in advance. Such amounts are referred to as advanced fee deposits and should be distinguished from fees due 1 September but paid early. Advanced fee deposits are held until the pupil joins the School whereupon the fees for each School term are charged against the remaining balance and taken to income.

**Resources Expended**

Resources expended are accounted for in the year in which they are incurred and are allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included within the item of expense to which it relates.

Where an item of expenditure falls directly within one cost category it is attributed to that category only. Where expenditure involves more than one category it is apportioned on a reasonable and justifiable basis.

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

Governance costs represent the costs associated with the governance arrangements of the charity as meeting the statutory requirements of the School as a company and charity as opposed to the costs of running the charitable school activities.

**Tangible Fixed Assets**

The freehold land and buildings of the School were revalued in 1980. The governors are of the opinion that the current open market value on an existing use basis is in excess of book value but, since no subsequent revaluation has been made, they are unable to quantify the excess.

The School has taken advantage of the transitional arrangements of Financial Reporting Standard 15, Tangible Fixed Assets (FRS15), not to update its valuation of land and buildings.

Freehold land and buildings acquired since 1980 and all other tangible fixed assets are shown at cost.

All purchases of a capital nature with a cost in excess of £1,000 are included in tangible fixed assets.



**ALL HALLOWS (CRANMORE HALL) SCHOOL TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Depreciation**

**Freehold land and buildings**

No depreciation has been provided on freehold land. Depreciation on freehold buildings is calculated to write down their cost or valuation less their estimated residual value by equal amounts over their expected useful lives. The main freehold buildings are depreciated on cost or valuation at the following rates

Main Buildings	1% - per annum
Chapel	2% - per annum
Art Block	2% - per annum
Crane Wing	2% - per annum
Cellar/Common Room	10% - per annum
Classrooms	1% and 4% - per annum
Changing Rooms	2% - per annum

**Furniture, fixtures and equipment**

Depreciation is provided at rates of 10%, 20% or 33 3% per annum on the cost of the assets, being the rates calculated to write off the cost less residual value of each asset over its expected useful life

Other tangible fixed assets are depreciated, to write off the cost less residual value, over the expected useful life as follows

Gymnasium	4% - per annum
Swimming Pool	10% - per annum
Mowers	10% - per annum
Motor Vehicles	20% - per annum
Tennis Courts	4% - per annum
Astroturf	6 6% - per annum (15 years)
Flood Evaluation	4% - per annum
Campus Development	10% - per annum

**Impairment Reviews**

Annual impairment reviews of assets with an expected life of more than 50 years have been carried out in accordance with the requirements of FRS15. So far these have confirmed that the service potential of these assets remain undiminished

**Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the year of the lease

**Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis, and net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for slow moving and defective stocks

**Pensions**

The main pension fund relating to teachers is organised through the Department for Education and Skills. Although this is a defined benefit scheme it is, like other Government schemes, not funded and the scheme is only obliged to pay the current defined contribution rate

All other pension arrangements are defined contribution schemes where the assets of the schemes are held separately from those of the School in an independently administered fund

In all cases the pension cost charge represents contributions payable by the School to the fund

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Unrestricted Funds**

These are funds which can be used in accordance with the charitable objects at the discretion of the governors

**Designated Fund**

These are funds set aside by the governors out of unrestricted general funds for specific purposes or projects

**Status**

The School is a registered charity and a registered company, limited by guarantee, the guarantors being the members who are the governors to the extent of £10 each. There were 10 members at 31 August 2008 (31 August 2007: 12).

**Financial Instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

**2. SCHOOL FEES**

School fees receivable consist wholly of fees charged for education and boarding less scholarships and bursaries, and wholly arises from activities carried out in the UK and therefore no further analysis of turnover or surplus needs to be made.

**3. OTHER INCOME**

	2008 £	2007 £
Pupils' Disbursements - Net Surplus/(Deficit)	18,869	(6,367)
Extras - Net Surplus (Including Fees and Insurance Commissions)	32,203	23,049
	<hr/> 51,072	<hr/> 16,682

**4. INTEREST RECEIVABLE**

	2008 £	2007 £
Bank Interest	23,075	20,934
	<hr/>	<hr/>

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**5. NET INCOMING/(OUTGOING) RESOURCES**

	2008 £	2007 £
Net incoming/(outgoing) resources is stated after charging		
Auditors' Remuneration For - Audit	6,977	6,709
- Teachers' Pension Audit	489	470
- Other Services	3,722	10,306
Depreciation - Owned Assets	142,330	132,195
	<hr/>	<hr/>

**6. STAFF COSTS AND GOVERNORS' EMOLUMENTS**

	2008 £	2007 £
Wages and Salaries	1,707,863	1,646,553
Social Security Costs	128,980	127,128
Other Pension Costs - Defined Contribution Schemes	161,112	155,746
Agency Staff	22,676	841
	<hr/>	<hr/>
	2,020,631	1,930,268
	<hr/>	<hr/>

In addition to the above, there are approximately 3 (2007 3) full time equivalent teachers employed by the School at a total cost of £30,388 (2007 £22,676) These costs relate to extra tuition which is charged separately to parents and is not included in fee income

One governor, Mrs E Logan, received a total salary of £6,027 in respect of her work as a pastoral care assistant with employer's National Insurance of £478 No governor received any remuneration during 2006/07

In 2008, 11 governors received £2,638 (2007 Three, £1,367) for the reimbursement of personal travel expenses incurred in the furtherance of the objects of the School

Professional indemnity and Governors' and Officers' liability insurance to £1 million is included as part of the School's insurance cover The premiums cannot be separately identified

During the year there were no employees with emoluments over £60,000 (2007 None)

The average number of employees calculated on a full time equivalent basis is broken down into the following categories

	2008	2007
<b>Charitable Activities:</b>		
Teaching	40	38
Welfare	25	23
Premises	4	4
Support	6	6
	<hr/>	<hr/>
	75	71
	<hr/>	<hr/>

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**6 STAFF COSTS AND GOVERNORS' EMOLUMENTS (CONTINUED)**

**Teachers' Pension Scheme**

The Charity participates in a multi employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the Charity.

In accordance with the Teachers' Pension (Amendment) Regulations based on the latest actuarial valuation of the Scheme issued in November 2006, the valuation of the Scheme under the current provisions has been attributed with a deficit of £3,260 million as at 31 March 2004.

Following this valuation the standard contribution rate was raised from 19.5% to 19.75% from 1 January 2007. In addition, there will be a supplementary contribution rate of 0.75%, a total contribution rate of 20.5%.

The superannuation charge for the year represents contributions payable to the Scheme of £141,224 (2007: £137,614).

The Charity also runs a scheme for its non-teaching staff, which is a defined contributions scheme. The cost for the year represents the Charity's contributions to that scheme of £19,888 (2007: £18,132).

**7. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £	Other Depreciation £	Total £
<b>Charitable Activities:</b>			
Teaching	1,400,131	176,540	1,659,585
Welfare	374,741	152,138	554,587
Premises	85,123	235,362	337,338
Support	147,636	114,863	277,354
	<hr/>	<hr/>	<hr/>
School Costs	2,007,631	678,903	2,828,864
Governance Costs	13,000	6,977	19,977
	<hr/>	<hr/>	<hr/>
	2,020,631	685,880	2,848,841
	<hr/>	<hr/>	<hr/>

Depreciation has been split between the above headings pro rata to original cost per the fixed asset register.

**8. GOVERNANCE COSTS**

	2008 £	2007 £
Staff Costs	13,000	13,000
Auditor's Remuneration	6,977	6,709
	<hr/>	<hr/>
	19,977	19,709
	<hr/>	<hr/>

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**9. TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings £	Gym & Swimming Pool £	Furniture Fixtures & Equipment £	Mowers & Motor Vehicles £	Tennis Courts £	Campus & Astroturf £	Total £
<b>Cost or Valuation</b>							
As at 1 September 2007	2,045,567	204,590	333,871	35,425	34,108	356,766	3,010,327
Additions	7,246	-	129,229	22,221	-	-	158,696
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2008	2,052,813	204,590	463,100	57,646	34,108	356,766	3,169,023
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>							
As at 1 September 2007	369,953	163,700	153,699	32,404	23,075	162,867	905,698
Charge for the Year	37,269	10,909	65,461	1,500	1,364	25,827	142,330
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2008	407,222	174,609	219,160	33,904	24,439	188,694	1,048,028
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Values</b>							
As at 31 August 2008	1,645,591	29,981	243,940	23,742	9,669	168,072	2,120,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2007	1,675,614	40,890	180,172	3,021	11,033	193,899	2,104,629
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All tangible fixed assets are used in direct furtherance of the School's objectives

An analysis of freehold land and buildings between cost and valuation is as follows

	£
Cost	1,780,813
Valuation – 1980	272,000
	<hr/>
	2,052,813
	<hr/>

All other assets are shown at cost

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**9. TANGIBLE FIXED ASSETS (CONTINUED)**

A valuation of the School's freehold land and buildings dated 22 February 1980 was obtained from King Miles & Co (Chartered Surveyors) on the basis of an open market value with vacant possession. The valuation reported was £272,000 including £85,000 apportioned to the land. Depreciation of freehold buildings for the year has been based on the revalued amount. Based on cost, the charge would have been lower by £870. If they had not been revalued, freehold land and buildings would have been carried in the balance sheet at

	2008 £	2007 £
Cost	944,613	944,613
Less Accumulated Depreciation	(255,651)	(246,205)
	<hr/>	<hr/>
	688,962	698,408
	<hr/>	<hr/>

**10. STOCKS**

	2008 £	2007 £
Sundry Stocks	34,723	35,992
	<hr/>	<hr/>

**11. DEBTORS**

	2008 £	2007 £
Trade Debtors (Fees and Extras)	215,156	136,313
Prepayments and Accrued Income	67,866	67,176
	<hr/>	<hr/>
	283,022	203,489
	<hr/>	<hr/>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Fees Paid in Advance of Due Date	193,204	242,954
Trade Creditors	80,110	25,315
Taxation and Social Security	40,755	40,801
Other Creditors and Accruals	47,097	79,400
	<hr/>	<hr/>
	361,166	388,470
	<hr/>	<hr/>

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**13. UNRESTRICTED FUNDS**

	Balance B/fwd £	Net Incoming Resources £	Transfers £	Balance C/fwd £
Designated Fund	(267)	-	10,800	10,533
Property Revaluation Reserve	120,906	-	-	120,906
General Funds	2,135,209	78,213	(10,800)	2,202,622
	<hr/>	<hr/>	<hr/>	<hr/>
	2,255,848	78,213	-	2,334,061
	<hr/>	<hr/>	<hr/>	<hr/>

The designated fund is to provide financial assistance in circumstances of extreme hardship

**14 RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Net Incoming/(Outgoing) Resources	78,213	(101,379)
Depreciation Charges	142,330	132,195
Interest Receivable	(23,075)	(20,934)
Decrease/(Increase) in Stocks	1,269	(11,396)
(Increase) in Debtors	(79,533)	(14,446)
(Decrease)/Increase in Creditors	(27,304)	79,671
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	91,900	63,711
	<hr/>	<hr/>

**15. BANK INTEREST RECEIVED CASH FLOW**

	2008 £	2007 £
Debtor Brought Forward	5,662	4,765
Interest Receivable	20,875	20,934
Debtor Carried Forward	(3,462)	(5,662)
	<hr/>	<hr/>
Bank Interest Received	23,075	20,037
	<hr/>	<hr/>

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**16. ANALYSIS OF CASH**

	As at 31/08/07 £	Cash Flow £	As at 31/08/08 £
Cash in Hand	11,082	221,841	232,923
Fixed Term Deposits	289,126	(265,562)	23,564
	<hr/>	<hr/>	<hr/>
Total	300,208	(43,721)	256,487
	<hr/>	<hr/>	<hr/>
(Decrease)/Increase in Cash	(37,397)		221,841
	<hr/>		<hr/>

Fixed term deposits on more than one day's notice are considered to be liquid resources

**17. OPERATING LEASES**

At 31 August 2008 the School had aggregate annual commitments under non-cancellable operating leases as follows -

	2008 £	2007 £
Operating leases which expire Within 2 -5 years	7,561	7,561
	<hr/>	<hr/>

**18. CHARITABLE COMMITMENTS**

There was £6,069 authorised and contracted for at the balance sheet date for fixtures and fittings (2007 £Nil)

**19. RELATED PARTY TRANSACTIONS**

During the year the following governors had children attending the School in receipt of discretionary discounts on fees -

	2008		2007	
	No. of Children	Discount	No. of Children	Discount
Mrs M Rees-Mogg	One	10%	One	10%
M Russell	One	10%	One	10%
Mrs E Logan	One	18%	One	18%
N Howlett	-	-	One	20%