

# **EWELL CASTLE SCHOOL**

## **REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012**

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# **EWELL CASTLE SCHOOL**

## **REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012**

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\*These pages do not form part of the statutory accounts of the Company

Company Registration Number	788782
Registered Charity Number	312079
Registered Office	Church Street Ewell Surrey KT17 2AW

**EWELL CASTLE SCHOOL  
A COMPANY LIMITED BY GUARANTEE**

**KEY PERSONNEL AND PROFESSIONAL ADVISERS**

Principal	A J Tibble, BSc, NPQH
Head of Senior School	M Holder-Williams, MA
Head of Junior School	Mrs H M Crossley, MA
Company Secretary	G D Holland, BSc, ACA
Auditors	Helmores UK LLP Grosvenor Gardens House 35/37 Grosvenor Gardens London SW1W 0BY
Bankers	Barclays Bank PLC 64, High Street Ewell Surrey KT17 1RN
Solicitors	A J Lutley Springfield Rookery Hill Ashted Park Ashted Surrey KT21 1HY

## **EWELL CASTLE SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

The Governors present their annual report and the audited financial statements of the company for the year ended 31 August 2012

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities 2005

#### **Organisational structure and relationships**

Ewell Castle School was established in 1926 and was incorporated on 22 January 1964 as a company limited by guarantee. It is governed by its Memorandum and Articles of Association. The company is a registered Charity. The Company changed its name from Ewell Castle School Limited to Ewell Castle School by a special resolution passed on 25 January 2006.

The company is organised with a Board of Governors, who are trustees and members of the charity, to oversee planning, with a member being nominated as chairman. Governors are elected at a Meeting of the Board of Governors on the basis of nominations received. Nominations are made by existing Governors and from the school Senior Leadership team. Whilst the School is not required by constitution to have Parent Governors, the Principal regularly invites interest from the Parent body in the role of Governorship, primarily for when their children have left the school. The Board's specification for a Governor concerns personal competence, specialist skills and local availability. There is no fixed term of office for Governors. A trustee may be appointed by invitation to become a governor of the company and removed by a written request from all the other governors. The Principal and a small management team are responsible for the day-to-day running of the company.

The trustees are members of the charity but that entitles them only to voting rights. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up. The total number of such guarantees at 31 August 2012 was 9 (at 31 August 2011: 9).

The Principal is a member of the Society of Heads (formerly SHMIS), and the Head of Senior School and Head of Junior School are also members of the Society as a 'Deputy Head' and Head of Junior School' respectively. In addition, the Head of Junior School is also a member of IAPS (Independent Association of Preparatory Schools), and the Bursar is a member of ISBA (Independent Schools Bursars' Association). As such, members of Senior Leadership Team are able to promote and maintain the standards at Ewell Castle in general terms, and are also able to take part in peer group studies for the evaluation of quality and performance improvement methods. The school is a member of AGBIS (Association of Governing Bodies of Independent Schools).

We co-operate with many local and national charities, and other schools and organisations, in our ongoing endeavours to widen public access to our schooling and the school, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the school.

Ewell Castle also benefits from the generosity of a small but thriving PSFA (Parents, School & Friends Association) whose close support and contribution in respect of developments and activities we greatly appreciate and gladly acknowledge.

Former members of staff and former pupils also represent a growing body of parties offering valued support and structure to the School community.

#### **Induction and training of Trustees**

New Governors are inducted into the workings of Ewell Castle as a school and also as a registered charity, including its Board Policy and Procedures. This is achieved with introductory meetings with the Chairman of Governors and with members of the Senior Leadership Team (SLT) – the Principal and the two Heads of School. Furthermore advantage is taken of AGBIS workshops and other local groups for (new) Governors. All Governors have received training in Child Protection issues.

**EWELL CASTLE SCHOOL****REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)****Organisational Management**

The Governors meet as a Board four times a school year (in October, January, March and July) in addition to its Annual General Meeting in January. The work of implementing most of the Board's policies is carried out by the Chairman, the Principal and the Bursar, who meet three weeks before each meeting of the Governing Board and on other specific occasions eg to review the budgets and annual accounts and reports. The day to day running of the School is delegated to the Principal and Bursar, supported by the other members of the Senior Leadership Team.

**Risk management**

The Board, with particular assistance from the Principal and the Bursar, continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can be mitigated.

The principal risks identified

- failure of Governance,
- failure to deliver educational standards,
- failure to safeguard pupil welfare,
- regulatory non-compliance,
- impact of economic climate,
- major fraud or mismanagement,
- major catastrophe eg fire,
- adverse action by the freeholder, and
- loss of charitable status

The key controls used by the charity are

- formal agendas and minutes for all committee activity,
- induction procedures for new Governors,
- terms of reference & responsibilities for committees and certain individual Governors, in addition to job descriptions for Senior staff of the school,
- comprehensive planning incl strategic planning, budgeting and management accounting,
- professional advice,
- established organisational structures and lines of reporting,
- clear authorisation and approval levels for all transactions,
- appropriate levels of free reserves,
- formal written policies including comprehensive child protection measures and other health & safety matters to ISI regulatory standards, and
- vetting procedures for all staff as required by DCSF and ISI regulation, through the Criminal Records Bureau
- meeting requirements of Charity Commission

It is recognised that no system can give an absolute assurance against major risks

**Objectives & Activities**

The Object of the Company, in accordance with its Memorandum of Association is the education of children aged 3-18. The principal activity therefore is that of an independent school for boys (3-18) and girls (3-11). There have been no changes in the company's objects or policies during the year.

## **EWELL CASTLE SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012 (Continued)**

#### **Strategic Aim and intended effect**

The School's strategic aim is to achieve the highest academic performance commensurate with cultivating a well-rounded personal development of our children. We also seek to widen public access to our school and system of schooling as much as possible within the constraints of our funding as an independent education provider.

#### **Objectives for the Year**

The Board's main objective continued to be to educate all the school's students to at least the same high standard in academic, sporting and artistic areas as achieved by the school in previous years, in order that they will be fully able and prepared to benefit from their next stage in education, or a move into employment. The board sought to maintain the provision for means-tested bursaries and hardship grants whilst retaining tight financial control, so as to widen public access to the school and its resources. A further objective this year was to update regulatory matters and policies in accordance with changes identified by Department for Education (DFE) and the Independent Schools' Inspectorate (ISI) – 3<sup>rd</sup> cycle and to complete the Self Evaluation Forms (SEFs). This work follows on from recommendations adopted after the highly successful ISI (October 2007) and Ofsted (June 2008) inspection reports. Other key objectives remained the completion of the first phase of the Master Plan for capital building development, preparation for phase two, and preparation for the forthcoming rent review of the Castle and Chessington Lodge.

#### **Strategies employed to achieve the year's objectives**

These included continuing to review the school's academic syllabus, benchmarking academic standards with external public examinations and value-added statistics, maintaining/enhancing the expertise of the teaching staff via appointments and staff training, and monitoring and maintaining the high level of support in extra-curricular activities and pastoral care. Areas of responsibility for Governors were assigned and a programme of ratification of policies at Governors' meetings was established. Continued monitoring of the bursary provision was undertaken, as was further activity from the Strategic Planning Group of Governors in respect of the completion of phase one of the Master Plan. Having acquired the necessary funding from the school's bank, this activity included the completion of the extension to the phase (new access road), further monitoring of progress and financial reports, and the determination of whether to draw down all the funds offered.

#### **Overall Achievements and Performance of the School**

The total number of students enrolled at the end of school year (July 2012) reached record levels, primarily reflecting growth in the Junior School (to 212 in number). Numbers in September 2012 fell however by 1.5% on previous year start figures, increasing only marginally since that time. Similar experiences in other schools perhaps reflects a delayed impact in this sector of current economic climate. Numbers at KS2 and entry to Year 7 (age 11 years) are below our norm however these are compensated to a degree by good numbers at KS1 (age 5-7 years) – to move into KS2 (age 7-11 years), and a sound entry in Year 9 (age 13 years) again. Retention of pupils into the Sixth Form (Year 12 at age 16+) remains a challenge and the announcement of co-education in the Sixth Form (age 16-18 years) from September 2013 has been well received. Overall we are slightly disappointed with the numbers for September 2012, however these figures remain within margins and the targets of the development plan.

The complete occupation of the (Herbert) Budgell building (Phase 1 of The Master Plan – building developments) was achieved in November 2011 followed by use of the new access road and car park area in February 2012. Canopies, cycles racks and the repair to the walled garden, internal changes/refurbishment including development of the Learning Support Area, the Harbour Suite, conversion of the former kitchens into a bursary area – releasing further space for the (Gadesden) library development, were all completed at the Castle by December 2012. Permission to extend the library externally has also been secured.

Plans have been submitted and consents received for the new Nursery Building at Chessington Lodge, and plans for new outdoor changing and extension of the Sports Hall at the Castle are well advanced. The school's new information management system has an increasing impact and benefit to the school community, including further reduction in paper communication. Further wireless networks also support staff and students.

## EWELL CASTLE SCHOOL

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012 (Continued)

Significant staffing changes this year are the retirement of Mrs Crossley, Head of Junior School, and the appointment of her replacement Mrs M Phillips, and the new position established of Marketing and Development Manager. The latter appointment reflects the desire and need to promote the school and reach out more widely, with greater professional experience.

All of the Year 13 leavers embarked upon their chosen Higher Education course and those Year 6 leavers went to their chosen Secondary School – many (boys) progressing to Ewell Castle Senior School and others acquiring places at grammar schools.

Ewell Castle enjoyed success year in **public examinations** in 2012 although with fewer record figures than in recent years. At 'A' level a 99% pass rate was achieved with 51% of the grades at A\*-B, which constituted a record. The AS level performances, also produced some creditable achievements as 86.0% of subjects taken were passed (38% at a record A/B standard). At GCSE the overall performance was slightly down on the record levels of the previous year, but we can still note an 88% pass rate at A\*-C. 25.6% of these passes were awarded at A\*/A, while the average of 9.2 passes per candidate at A\*-C is certainly commendable. 90.3% of the candidates merited at least 5 A\*-C grades which is the national bench mark for judging examination success.

Whilst the school is no longer eligible for the DCSF Value Added statistics as they are now 'contextualised', our own statistics give no reason to suggest that we would not maintain our previous position in the top 25% nationally from KS2 to GCSE. Pleasing as all these results are, Ewell Castle does not measure its performance on these results and achievements alone, and certainly achieving such levels did not hinder achievements in other areas of school life.

The Junior School achieved national recognition in 2012 being recorded in the top 100 preparatory schools for KS2 results. Although external assessment is now only undertaken in Mathematics and English, the results individually and collectively were again of a good standard. Whilst this cohort did not match the records of 2009 with 59%, 61% and 70% achieving level 5 in Maths, English and Science respectively, 44% did reach this level in Maths & 52% in English this year, compared with national figures of 39% and 38%. A record level of 96% achieved Level 4 or higher in Maths. This and the same figure for English compare favourably with national figures of 85% and 86%. Level 4 is the nationally expected standard of achievement for 11 year olds.

Ewell Castle welcomed an **Independent School Inspection** team in March 2012. We experienced an Integrated Inspection which means the school, in all its dimensions and aspects, was judged as one school. This feature is not universally welcomed as it can be less clear as to which comments apply to which area of the school. Lessons were observed, formal interviews were conducted with pupils and samples of work were examined. Discussions were held with members of staff at all levels and the chair of governors. The responses of parents and pupils to pre-inspection questionnaires were analysed, and regulatory documentation was examined. Extracurricular activities were observed as were registration sessions and assemblies.

It is pleasing to report that the school continues to meet its aim of providing opportunities and for recognising and maximising the individual talents of each pupil. It was recognised that collective and individual achievement in all areas is celebrated. Furthermore, pupils make good progress, above the average for their ability in many areas, and with excellent provision for those with SEND. It would seem that pupils have an excellent attitude to learning, while the contribution of curricular and extracurricular provision is excellent. The excellent curriculum is highly effective in contributing to pupils' academic progress and their wider development. The on-going expansion of ICT has greatly enhanced teaching and learning. The extracurricular activities are wide ranging with pupils contributing a high and enthusiastic level of participation. The quality of teaching was judged to be good, with a significant proportion of teaching observed was excellent. Small class sizes and committed teachers contribute positively to pupils' academic progress. The pupils' spiritual, moral, social and cultural development is excellent as is the school's pastoral provision which is organised to ensure consistency of care. The quality of provision in Early Years was deemed outstanding.

## EWELL CASTLE SCHOOL

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012 (Continued)

As you would expect, our behavioural expectations are high and the school fully achieves its aim of valuing each pupil as an individual

The findings of the team recorded in the inspection report, combined with the obligatory Self Evaluation exercise provides scope for the School Improvement Plan and are the solid foundations upon which we fully intend to build in the years ahead

Regular changes in specifications for examination courses remain one of the greatest **curriculum** challenges for teaching staff. Regular parents' meetings, documentation and presentations keep our parents apprised and internal monitoring ensures satisfactory transitions and outcomes. We welcomed the establishment of a new Library system especially designed for junior pupils and all the computers in the junior school were set up so that they are able to access Junior Librarian allowing for Library lessons to be followed up in the classroom. A specific target set in the Junior school is to make more use of thinking skills to encourage a more enquiring mind. We will see more creative and investigative work being set to allow pupils to use their thinking skills and develop their confidence in problem solving. Meanwhile at home parents have been helping us with Independent learning.

The principle of a focused activity each day in Nursery stretches the developing skills and creativity in our children, and our results in the Foundation Stage Profiles strongly support our belief that we give the pupils the best start to their school lives. We pride ourselves also upon a seamless move between all year groups. Not only do pupils change Key Stage and curriculum at Ewell Castle as in many other schools, but we also move sites, giving additional significance and scope for development.

There has been a myriad of flourishing **extra and co-curricular activities** this year, examples of which follow.

The Junior School led the way in this year of the Diamond Jubilee. We created our own streets in the grounds at Glyn House and enjoyed 'street picnics' followed by a parade in costume. Then there was the Olympic and Paralympic themed activities acknowledging the countries taking part particularly looking at the dances from that part of the world. We had our own closing ceremony, all before one of our teachers was dancing in the real Olympics Opening ceremony. The final opportunity to dress up was the Victorian Day.

The Castle Society at the Senior School offers a diverse lecture programme delivered by teachers and outside speakers. The Debating Society often combines with public speaking and the Christian Union also meets regularly and retains a steady membership. Revision conferences hold an attraction for some departments, whilst the Geography field work was conducted this year on the North Norfolk coast, and the Biology department spent the day at Juniper Hall.

The visiting inspectors were suitably impressed with the array of activities we offered including the visits to universities, business parks and historical sites such as the Tower of London and Fishbourne. Prominent museums and galleries also help to convey the right sort of educational message. Languages Day was well received and the Mathematics Department, for its part, entered pupils at Senior, Intermediate and Junior levels into the National Mathematics Challenges with some pleasing individual performances. Invitations to outside speakers are also beneficial and form part of the Sixth Form Enrichment programme. The visit of Chris Grayling, our local MP and the then Minister of State for Work and Pensions, held pride of place. This programme developed this year and saw the Upper Sixth receive culinary guidance in anticipation of their successful progression to university.

One of the features of our customary end to the year is the Summer Evening Entertainment. The music, the poetry readings, the Art Exhibition, the games and the general spontaneity was rewarding. Our final 'charitable act' is with the established Sponsored Run and Activities Day.

**Trips and visits** and the spirit of adventure flourished again this year, with subject and sports trips. However we also hosted cricket teams from Australia and Derbyshire, and some Year 5 pupils from a school on La Reunion, an island near Madagascar in the Indian Ocean. The initial introduction from one of our parents led to the trip a year in the planning.



## EWELL CASTLE SCHOOL

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012 (Continued)

Thirty children enjoyed an afternoon of British sports of Cricket, Rugby and Rounders, followed another day with a visit to St Mary's Church for a programme of Music and dance finishing with a hymn and a prayer that was said in both languages

Arts Week has pride of place in matters of **Culture – Music, Drama and the Arts** The Senior School Art department invited a professional artist to give a workshop The medium used was 'lego' and the product was the two large hangings of insects that can be seen displayed at the entrance of the Budgell Building The House Reading Competition, the Arts Quiz and Art Poster competition were all keenly supported, and this year Design & Technology welcomed back a world famous Paper Engineer to give a paper skills workshop There were also photography and animation workshops to keep pupils focused and absorbed The Music Recital reached new heights and the different genres of music were played into the dining hall during lunch time to entertain staff and pupils alike

Musical Recitals throughout the year continued to attract large and interested audiences and the Orchestra, Jazz Band, Concert Band, Guitar Ensembles and Percussion Ensembles provide ample opportunity for pupils to perform The Castle Ravens (Barber Shop Group) have increased the number of public appearances this year, which included an excellent contribution at the Carol Service in December The haunting sound of the trumpets at the Remembrance Day service in November is always a more sombre highlight worthy of recollection Equally memorable though was the Wassail, a biennial extravaganza with a festive theme, which never loses its popularity

This year's production of Moliere's 'The Hypochondriac' was outstanding and following this in May, the Lower School kept us entertained with 'The Last Laugh' by Ben Payne Additionally, the GCSE students presented 'Neville's Island' by Tim Firth, and the Junior School also entertained us with many year group productions of 'words and music'

We encourage regular trips to the theatre and Concert Halls some of which are specifically aimed at certain year groups, in the pursuit of providing a 'broad education' This year Ewellians will have sampled Henry V (Rose Theatre), Billy Elliot (Victoria Palace), The 39 Steps (Criterion Theatre), Singing in the Rain (Palace Theatre), Matilda (Cambridge Theatre) and the Royal Philharmonic at the Festival Hall

The Junior School **sports** programme continues to grow with increased opportunities for pupils to play matches against other schools and to enjoy our own galas and sports days Highlights in competitive school fixtures for the children were that 98% of pupils at Glyn House represented the school in competitive sports fixtures, that we hosted our inaugural Under 11 and Under 9 Schools' Football tournaments, winning the latter competition, and the Year 4s remaining undefeated all year in three major sports – Football, Rugby and Cricket A link has been created to allow elite Junior School children to train and play fixtures for the Senior School Three represented Senior School teams at cricket and two at tennis Athletics, cross Country, netball, rounders, and rugby also prosper

Rugby football provides for more than a physical challenge for a small school Nevertheless competitive fixtures at all levels provide the opportunities and this year pride of place was with the U12s winning eight out of eleven matches Whilst the 1<sup>st</sup> XI Football team produced equal numbers of wins, draws and losses, with goals scored far outstripping goals conceded, the Under 13s and 14s lost only five times in twenty one outings The cricket season started and football season finished in April in Antigua for a fortunate touring party The 1<sup>st</sup> XI cricket compete in the summer with the examination timetables as well as opposition, and they managed a better than 50% season However, as with many teams last summer, they lost more games to the weather Many other students represented the school with pride and achieved much individual and collective success on the tennis, basketball and badminton courts, at table-tennis, in track and field, in the pool, on the golf and cross country courses Beyond school, county honours were heralded in rugby, soccer, cricket, squash, tennis and golf and international honours in ice dance, windsurfing and wakeboarding

The **Charitable Works** Committee retains a place of prominence in the Senior School Cake Sales, Mufti Days and White Elephant Stall prevail, and the variety of charities benefiting from donations from the c £3,000 raised is impressive

## EWELL CASTLE SCHOOL

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012 (Continued)

This year recipients included Help for Heroes, Jeans for Genes, Kidscape (the anti-bullying charity), 'WaterAid', Save the Children and Meningitis UK. We also continue to support development at Wellingara Primary School in the Gambia.

The Duke of Edinburgh Award Scheme has grown in popularity this year. Indeed there are many clubs that keep different boys entertained throughout the year including Art, Computer, Water Rockets, War Hammer, Gardening, Board Games, the Chess Club and team. We enter the National Mathematics Challenges at Senior, Intermediate, Junior and Primary levels and achieved Gold awards in all categories. The SS Languages Day was a success again assisting as it does a greater appreciation of linguistic and cultural diversity.

The School continued to maintain and develop its **links with the community**. Pupils in Yrs 5 & 6 are members of Bourne Hall Library, in their own right, and we remain grateful for the support from the Epsom Education Business Partnership.

Links with other schools includes those with Greenacre Girls School – although our move to co-education in the Sixth Form in 2013 changes our relationship somewhat, Collingwood Junior School – athletics Sports facility, Ewell Grove Primary School – facilities to assist with church Carol/Nativity Services, and St Clements Primary School – Sports Day facility.

We continue to enjoy much liaison with the parish church. As well as the Junior School holding regular services at St Mary's, highlights were undoubtedly our own Nursery & Reception Christmas Nativity, Carols by Candlelight and the Senior School Lessons and Carols.

The Parent Staff & Friends Association remained very active with the Trivia Evening, Summer Fair and the Casino Evening being highlights of social and fundraising activity. We also welcome other activities run for pupils and support from the PSFA eg supporting school teams at matches, organising uniform sales, ensuring that the Easter Bunny remembers to visit us at Chessington Lodge and that Easter Eggs are offered to older pupils, for the Christmas parties, and House trivia quiz. The school also organised a Parent Forum when staff and parents were addressed on the matter of cyber bullying.

Furthermore, in keeping with our policy of widening **access to facilities**, at fee rates below commercial levels, subsidised arrangements are enjoyed by many groups eg a language school from Hong Kong – holiday language courses, sports clubs, Fitznells School of Music & Drama, The Associated Board of Royal School of Music – theory and practical examinations, Stewart Cricket Centre and Surrey County Cricket Club, a local allotment society, Surrey Bee Keepers Association, and Mole Valley Bowmen – archery club.

#### **Public benefit**

In addition to the public benefit derived from activities outlined above, Ewell Castle is pleased to record continued further public benefit offered by means tested bursaries.

The school has established partnerships with Kingston University, NESCOL and SWELTEC for whom our services are used as a 'training' school for Initial Teacher Training (ITT).

We offer holiday sports courses and play schemes as well as hours beyond normal school hours to our charges – ie early morning care and after school care. We have an established Mother & Toddler group aimed at assisting young mothers. We also play host to several other local associations on an occasional basis as indicated above, and also the Ewell Village Fair and various Heritage events and archaeological visits/works. Indeed the very upkeep of three listed buildings and sites within the village is itself of significant value to the community.

#### **Future Plans & Developments**

The Strategic Plan, as with the School Improvement Plan, are reviewed annually. Work was commenced upon Phase 2 of the library development this year ie the movement of the Bursary office into the old kitchen area. Completion is anticipated in January 2013.

**EWELL CASTLE SCHOOL****REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)**

The remainder of the restricted funding from donations is designated to developing specific resources for special educational needs. The intense activity of the Strategic Development Group of Governors has been maintained in respect of the major development planned and the implications of the development in respect of rationalisation of space and departmental and administrative areas in both the Castle and Glyn House. Permissions are now sought in this regards and in respect of Senior School Outdoor Changing rooms. The replacement Nursery block is with the planning department of the Council and work is scheduled for summer 2013.

Following the introduction of pupil and parent portals on our website, and the success of achieving reporting and communication (pupil reports and letters) for the Senior School, the target is now for the Junior School to come 'on-line'. These aspects are linked to the update our school Information Management System (IMS).

In line with developments, increased staffing levels are proposed in areas of administration (IMS and Reception), special educational needs, and works (management).

**Financial Review**

The results of the charity's activities are set out on page thirteen. Income from Charitable Activities increased by 6% to £5.75m this year while costs rose by £484k. A significant element of the increase in costs relates to the depreciation and running expenses of the new Budgell Building that was opened in September 2011. As a result, Net Incoming Resources decreased from £698k to £587k this year.

**Investment Policy**

There are no restrictions on the company's powers of investment. The Board's policy continues to be to put any retained funds in higher-yielding deposit accounts.

**Reserves Policy**

The charity requires free reserves (that is those funds not tied up in fixed assets and restricted funds) in order to provide

- an adequate level of working capital,
- a financial buffer to cover risks to which the charity is exposed,
- funds to enable the School to continue to invest to enhance the educational facilities it provides.

The Board has determined that the appropriate level of free reserves should fall within the range £600k to £800k.

Free reserves at 31 August 2012 amount to £1.74m (2011 - £3k). This increase is as a result of the drawdown of £2m on the bank loan facility which was secured to fund part of the Budgell Building development. The Charity intends to utilize the remaining excess free reserves on a replacement nursery block and other refurbishment projects over the next year. The Board will continue to review the reserves policy on an annual basis.

**Governors**

The Governors who served on the board during the year were as follows -

D C M Hill, (Chairman to 18 January 2012, retired 21 March 2012)

P Durnford-Smith, BA, MCIM (Chairman from 18 January 2012)

M Thomas, RIBA, SBID, FRSA (Vice-Chairman from 18 January 2012)

P A Laughton, BA

Mrs J G Moran, MA, HDipEd

N Terrington, ACIB

Mrs J Thomas, MSc, BEd

Mrs M Ainge, BSc, SRN

N Bird, FGA, MIRV

D Tucker, QPM (appointed 5 October 2011)

## **EWELL CASTLE SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012 (Continued)**

The Board register their grateful thanks to Mr Hill for his many years service to the School as Governor and Chair of Governors. During his tenure he assisted in the acquisition of Glyn House, the long term lease for The Castle, the redevelopment of the Quad area and construction of the new Budgell Building, and oversaw two successful school inspections.

#### **Auditors**

The auditors, Helmores UK LLP, have indicated their willingness to continue in office, and a resolution will be proposed at the Annual General Meeting for their re-appointment.

#### **Statement of governors' responsibilities**

The governors (who are also directors of Ewell Castle School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 charitable company will continue in business.

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company'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.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Governors on 23 January 2013 and signed on its behalf by



P Durnford-Smith - Chairman

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EWELL CASTLE SCHOOL**

We have audited the financial statements of Ewell Castle School for the year ended 31 August 2012 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 governors and auditor**

As explained more fully in the Governors' Responsibilities Statement set out on page 10, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EWELL CASTLE SCHOOL  
(Continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Helmos UK LLP*

Nigel Hough (Senior Statutory Auditor)  
for and on behalf of Helmos UK LLP  
Chartered Accountants and Statutory Auditors  
Grosvenor Gardens House  
35/37 Grosvenor Gardens  
London SW1W 0BY

23 January 2013

**EWELL CASTLE SCHOOL****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2012**

	Notes	Unrestricted Funds	Restricted Funds	Total 2012	Total 2011
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from Charitable Activities</b>					
School fees receivable	2	5,437,282	-	5,437,282	5,171,911
Other Educational Income	3	317,116	-	317,116	249,107
		<u>5,754,398</u>	<u>-</u>	<u>5,754,398</u>	<u>5,421,018</u>
<b>Incoming Resources from Generated Funds</b>					
Activities for Generating Funds		18,003	-	18,003	17,798
Voluntary Income		45,959	-	45,959	3,920
Investment income - Bank Interest		2,197	-	2,197	4,656
	4	<u>66,159</u>	<u>-</u>	<u>66,159</u>	<u>26,374</u>
<b>Total Incoming Resources</b>		<u>5,820,557</u>	<u>-</u>	<u>5,820,557</u>	<u>5,447,392</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Activities</b>	5	5,177,612	30,773	5,208,385	4,723,707
<b>Governance Costs</b>	5	25,555	-	25,555	26,047
<b>Total Resources Expended</b>		<u>5,203,167</u>	<u>30,773</u>	<u>5,233,940</u>	<u>4,749,754</u>
<b>Net Incoming / (Outgoing) Resources before transfers</b>		617,390	(30,773)	586,617	697,638
Gross transfers between funds	13	9,678	(9,678)	-	-
<b>Net Income/Movement in Funds for the year</b>		627,068	(40,451)	586,617	697,638
<b>Total Funds Brought Forward</b>		5,615,783	82,938	5,698,721	5,001,083
<b>Total Funds Carried Forward</b>		<u>6,242,851</u>	<u>42,487</u>	<u>6,285,338</u>	<u>5,698,721</u>

All amounts relate to continuing activities

The company made no recognised gains or losses in this or the preceding financial year other than the net incoming resources for the year

**EWELL CASTLE SCHOOL**  
**Company Registration no 788782**  
**BALANCE SHEET**  
**AT 31 AUGUST 2012**

		2012		2011	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	8		6,477,187		5,645,380
<b>Current Assets</b>					
Stocks		5,399		13,288	
Debtors	9	271,765		155,697	
Cash at Bank and in Hand		<u>2,324,321</u>		<u>1,127,816</u>	
		<u>2,601,485</u>		<u>1,296,801</u>	
<b>Creditors: Amounts falling due within one year</b>					
Bank Loan		59,383		11,821	
Fees Received in Advance		204,599		230,091	
Other Creditors		552,914		973,404	
Accruals and Deferred Income		<u>35,821</u>		<u>28,144</u>	
		<u>852,717</u>		<u>1,243,460</u>	
<b>Net Current Assets</b>			1,748,768		53,341
<b>Total Assets less Current Liabilities</b>			<u>8,225,955</u>		<u>5,698,721</u>
<b>Creditors: Amounts falling due after one year</b>	10		(1,940,617)		-
<b>Total Net Assets</b>			<u>6,285,338</u>		<u>5,698,721</u>
<b>Represented by.</b>					
Restricted Funds	13		42,487		82,938
Unrestricted Funds	12		6,242,851		5,615,783
<b>Total Funds</b>			<u>6,285,338</u>		<u>5,698,721</u>

Approved by the Board on 23 January 2013 and signed on its behalf by



P Durnford-Smith - Chairman



## EWELL CASTLE SCHOOL

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2012

		2012	2011
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	300,112	1,470,110
<b>Returns on Investments and Servicing of Finance</b>			
Interest Received		2,197	4,656
Interest Paid		(19,938)	(795)
		(17,741)	3,861
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets		(1,074,045)	(3,495,642)
		(791,674)	(2,021,671)
<b>Financing</b>			
Increase / (Decrease) in borrowing		1,988,179	(11,028)
Capital element of Hire Purchase repayments		-	(18,306)
<b>Increase / (Decrease) in Cash</b>	2	<u>1,196,505</u>	<u>(2,051,005)</u>

## 1. Reconciliation of net incoming resources to net cash inflow from operating activities

	2012	2011
	£	£
Net incoming resources	586,617	697,638
Interest Receivable	(2,197)	(4,656)
Interest Payable	19,938	795
Depreciation charges	242,238	143,300
Movement in stocks	7,890	(8,372)
Movement in debtors	(116,068)	27,575
Movement in creditors	(438,306)	613,830
<b>Net cash inflow from operating activities</b>	<u>300,112</u>	<u>1,470,110</u>

## 2. Reconciliation in net debt

	At Beginning of Year	Cash Flows	At End of Year
	£	£	£
Cash at Bank	1,127,816	1,196,505	2,324,321
Bank Loan	-	(2,000,000)	(2,000,000)
Bank Loan	(11,821)	11,821	-
	<u>1,115,995</u>	<u>(791,674)</u>	<u>324,321</u>

**EWELL CASTLE SCHOOL**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012**

**1 Accounting Policies**

**a) Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005, the Companies Act 2006 and applicable accounting standards

**b) Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided Fees receivable are stated after deducting discounts and bursaries

**c) Donations**

Donations and voluntary income received for the general purposes of the charity are included as unrestricted funds Donations for activities restricted by the wishes of the donor are included in restricted funds

**d) Resources Expended**

Expenditure is accounted for on an accruals basis Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by staff time or space occupied, as appropriate Irrecoverable VAT is included with the item of expense to which it relates

**- Governance costs**

This comprises the costs of managing and administering the charity and includes audit fees, costs of Governors' meetings and an apportionment of relevant staff costs

**EWELL CASTLE SCHOOL**
**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)**
**e) School buildings and equipment**

Part of the school buildings and grounds are subject to leases, which expire in August 2077. Building improvements and extensions costing more than £5,000, together with furniture and equipment costing more than £1,500 are capitalised and depreciated.

Depreciation is provided on a straight line basis so as to write off the cost of the tangible fixed assets over their estimated useful lives as follows:

Freehold Buildings	- 2% per annum
Improvements to Leasehold Property - pre 2002	- over original lease term
- post 2003	- 2% per annum
Furniture and Equipment	- 15% per annum
Computer Equipment	- 25% per annum
Motor Vehicles	- 25% per annum

**f) Stocks**

Stocks of foodstuffs and sports clothing are valued at the lower of cost and net realisable value.

**g) Funds**

Unrestricted funds are available for use for the general purposes of the charity. Restricted funds are subject to donor-imposed restrictions and are shown separately in the Statement of Financial Activities.

**h) Pension schemes**

The company contributes to the Teachers' Pension Defined Benefits Scheme in respect of staff who are eligible and have not opted out of the scheme. Employers' contributions, which are set by the Scheme Trustees, are currently 14.1% of pensionable earnings. Further details are included in note 7.

The company also runs a Stakeholder Pension Scheme for staff who are not eligible to join the Teachers' Pension Agency Scheme. The company currently contributes up to 10% of pensionable earnings for those employees participating in the scheme.

Pension costs are charged to the Statement of Financial Activities as incurred.

**i) Operating leases**

The rentals payable under operating leases for equipment are charged to the Statement of Financial Activities on a straight-line basis over the lease term. Rent payable in respect of operating leases for school premises is based on the rent due under the relevant leases.

## EWELL CASTLE SCHOOL

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)**

**2. School Fees**

	Total 2012 £	Total 2011 £
<b>The Schools' Fee Income Comprised.</b>		
Gross Fees	5,722,070	5,391,434
Less Bursaries, Grants and Allowances	(284,788)	(219,523)
	<u>5,437,282</u>	<u>5,171,911</u>

**3. Other Educational Income**

	Total 2012 £	Total 2011 £
School Lunches	129,588	119,472
Other income	187,528	129,635
	<u>317,116</u>	<u>249,107</u>

**4. Incoming Resources from Generated Funds**

	Total 2012 £	Total 2011 £
Hire of Facilities	18,003	17,798
PSFA (see note 17)	44,659	-
Bank interest	2,197	4,656
Other	1,300	3,920
	<u>66,159</u>	<u>26,374</u>

**5. Total Resources Expended**

	Staff Costs £	Other Costs £	Depreciation £	Total 2012 £	Total 2011 £
<b>Charitable Activities - Education</b>					
Teaching	2,799,302	221,814	94,627	3,115,743	2,927,394
Premises	154,319	903,962	145,680	1,203,961	975,190
Support costs of schooling	526,789	350,681	1,931	879,401	821,123
PSFA (see note 17)	-	9,280	-	9,280	-
	<u>3,480,410</u>	<u>1,485,737</u>	<u>242,238</u>	<u>5,208,385</u>	<u>4,723,707</u>
<b>Governance Costs</b>					
Auditors Remuneration					
- as auditors	-	12,480	-	12,480	12,835
- other services	-	6,167	-	6,167	6,499
Staff costs	6,908	-	-	6,908	6,713
	<u>6,908</u>	<u>18,647</u>	<u>-</u>	<u>25,555</u>	<u>26,047</u>
	<u>3,487,318</u>	<u>1,504,384</u>	<u>242,238</u>	<u>5,233,940</u>	<u>4,749,754</u>

Total Resources Expended include the hire of equipment of £1,483 (2011 - £6,756)

**EWELL CASTLE SCHOOL****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)****6. Staff Costs**

	2012 £	2011 £
Wages and Salaries	2,955,472	2,695,593
Social Security Costs	242,922	221,682
Pension Costs	288,924	273,593
	<u>3,487,318</u>	<u>3,190,868</u>

**7. Staff Particulars**

The average number of employees (full time equivalent) during the year was as follows

	2012	2011
Administrative Staff	12	12
Teaching Staff	59	58
Domestic Staff	10	9
	<u>81</u>	<u>79</u>

Employees receiving emoluments in excess of £60,000 were as follows

£60,001 - £70,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

The above employees are members of the Teacher's Pension Agency pension scheme

Pension costs for higher paid employees	£21,577	£21,540
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**Pension Scheme**

The School contributes to the Teachers' Pension Defined Benefits Scheme ("the Scheme"), for its teaching staff. This is a multi-employer pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 17 therefore, the scheme is accounted for as a defined contribution scheme.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1<sup>st</sup> April 2001 to 31<sup>st</sup> March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1<sup>st</sup> January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, with a supplementary contribution of 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time from the 2008 valuation - a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £275,234 (2011 £259,287). The School also pays contributions towards a stakeholder scheme.

**EWELL CASTLE SCHOOL****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)****8. Tangible Fixed Assets**

	Freehold Land and Buildings £	Leasehold Building Improvements £	Furniture and Equipment £	Motor Vehicles £	Total £
Cost					
Opening Balance	1,877,272	5,082,869	991,095	81,959	8,033,195
Additions	-	997,988	76,057	-	1,074,045
Disposals	-	-	(21,854)	-	(21,854)
	<u>1,877,272</u>	<u>6,080,857</u>	<u>1,045,298</u>	<u>81,959</u>	<u>9,085,386</u>
Depreciation					
Opening Balance	316,456	1,212,328	782,897	76,134	2,387,815
Charge for the Year	37,540	108,140	90,737	5,821	242,238
Disposals	-	-	(21,854)	-	(21,854)
	<u>353,996</u>	<u>1,320,468</u>	<u>851,780</u>	<u>81,955</u>	<u>2,608,199</u>
Net Book Value - 2012	<u>1,523,276</u>	<u>4,760,389</u>	<u>193,518</u>	<u>4</u>	<u>6,477,187</u>
Net Book Value - 2011	<u>1,560,816</u>	<u>3,870,541</u>	<u>208,198</u>	<u>5,825</u>	<u>5,645,380</u>

The leases on the leasehold properties expire in August 2077

Barclays Bank PLC has legal charges over the freehold property and leasehold interest in Ewell Castle, and their net book value at 31 August 2012 was £6,283,665

**9. Debtors**

	2012 £	2011 £
Fees Receivable	239,369	125,558
Others	2,064	3,074
Prepayments and Accrued Income	30,332	27,065
	<u>271,765</u>	<u>155,697</u>

**10. Creditors: Amounts Falling Due  
After One Year**

	2012 £	2011 £
Bank Loan		
Due Between One and Two Years	340,134	11,027
Due After Five Years	1,600,483	-
	<u>1,940,617</u>	<u>11,027</u>

Interest was payable on the above loan at the rate of 2.6% over base rates

## EWELL CASTLE SCHOOL

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)**

**11. Operating Leases**

	2012 £	2011 £
Rentals Charged in the Year		
Land and Buildings	416,000	381,000
Photocopier	1,483	-
Computer Equipment	-	5,288

Payments under operating leases due in the next year are as follows

	Land and Buildings £	Computer Equipment £
Leases expiring within one year	-	713
Leases expiring within one to two years	45,000	-
Leases expiring after more than five years	371,000	-
	<u>416,000</u>	<u>713</u>

**12. Analysis of net assets between funds**

	Tangible assets £	Net current assets £	Creditors due after one year	Total £
Unrestricted funds	6,444,566	1,738,902	(1,940,617)	6,242,851
Restricted funds	32,621	9,866	-	42,487
	<u>6,477,187</u>	<u>1,748,768</u>	<u>(1,940,617)</u>	<u>6,285,338</u>

**13. Restricted Funds**

	Balance at 01/09/2011 £	Incoming Funds £	Outgoing Funds £	Transfer to Unrestricted Funds £	Balance at 31/08/2012 £
Library Fund	28,471	-	(2,973)	-	25,498
The Special Needs Educational Fund	49,168	-	(27,800)	(8,248)	13,120
Other	5,299	-	-	(1,430)	3,869
	<u>82,938</u>	<u>-</u>	<u>(30,773)</u>	<u>(9,678)</u>	<u>42,487</u>

The Library fund is helping to finance the restructuring and refurbishment of the library

A Special Needs Funds for learning support including special educational needs provision was set up in 2010  
The transfer to unrestricted funds represents a relevant proportion of the depreciation charge for the year in respect of fixed assets financed by restricted funds

**EWELL CASTLE SCHOOL**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2012  
(Continued)**

**14. Connected Parties**

M Thomas, a governor of the school, is a director of MEB Design Limited who were paid £17,954 (2011 £2,866) during the year for architectural design work. The Company paid an insurance premium amounting to £582 in respect of Governors' liability insurance.

**15. Capital Commitments**

Contracted for but not provided in these accounts - £228,596 (2011- £655,000)

**16. Taxation**

The School is exempt from Corporation Tax on its charitable activities.

**17. The Parent, Staff and Friends Association**

The accounts of The Parent, Staff and Friends Association (PSFA) have been included in the accounts of the school, as the association is a sub committee of the school.