

# **Monkton House Kings College (Cardiff) Educational Trust Ltd**

## **ANNUAL REPORT**

**AND**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



**COMPANY NUMBER: 894179  
CHARITY NUMBER: 525759**

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## 1 REFERENCE AND ADMINISTRATIVE INFORMATION

### 1.1 Reference Information

Name	Monkton House Kings College (Cardiff) Educational Trust Limited
Other names used	Kings Monkton School
Registered Charity	Charity Number 525759
Company Limited by Guarantee	Company Number 894179
Registered and Principal Office	Highbridge House, 16-18 Duke Street, Reading, RG1 4RU
Website	<a href="http://www.educationdevelopmenttrust.com">www.educationdevelopmenttrust.com</a>

### 1.2 Board of Trustees

The following Trustees have served throughout the period covered by this report:

C Glover (Chairman)  
C Adderley  
N Fishwick

### 1.3 Professional Advisers

#### Auditors

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick, West Sussex  
RH6 0PA

#### Bankers

Lloyds TSB Bank Plc  
45 Newport Road  
Cardiff  
CF24 1TW

## **2 OBJECTIVES AND VALUES**

### **2.1 Charitable Objects and Values**

The principal objective of the Charity is the provision of education to children of school age and to achieve this objective the Charity operated a school in West Grove, Cardiff. As reported in the 12/13 Annual Report and Accounts, the school and its operations were transferred to Heathfield Independent Schools on 2 April 2013.

## **3 GOVERNANCE AND MANAGEMENT**

### **3.1 Governing Document**

Monkton House Kings College (Cardiff) Educational Trust Limited is a company limited by guarantee and a registered Charity governed by its Memorandum and Articles of Association, dated 16 December 1966 and last amended to allow for current governance arrangements on 2<sup>nd</sup> March 2013. It is registered as a charity with the Charity Commission. The Charity is administered by a Board of no fewer than three Trustees who meet at least once a year to receive reports on the activities of the Charity.

### **3.2 Appointment of Trustees**

Trustees are appointed by the Board of Education Development Trust, a charity (registered no. 270901) and a company limited by guarantee (company no. 894179), the sole member of Monkton House Kings College (Cardiff) Education Trust.

### **3.3 Risk Management**

Education Development Trust has a formal risk management process across the Education Development Trust Group to assess operational risks and implement risk management strategies. This process also applies to Monkton House Kings College (Cardiff) Educational Trust Limited. The risk management process involves identifying the type of risks, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

### **3.4 Public Benefit**

The Trustees have paid due regard to Charity Commission guidance in determining the activities of the charity.

## **4 FINANCIAL REVIEW**

### **Responsibilities of the Board of Trustees**

The Board of Trustees is responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006. The Board of Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In considering its responsibilities, the Board has had regard to "Good Governance: A code for the Voluntary and Community Sector".

Charity and company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In preparing those financial statements, the Board of Trustees is required to:

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

The Board of Trustees has overall responsibility for keeping proper accounting records that show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Board of Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the Charities Statement of Recommended Practice (FRS102) (2015). The report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

### Reserves policy

Following the transfer of the operating activities to Heathfield Independent Schools, the Charity does not currently have substantive operating activity. The Charity's financial objective is to collect amounts owing in consideration for the transfer. At 31 August 2016 unrestricted reserves were £450,002 deficit (2015: £450,951 deficit).

### Results for 2015/16

The financial statements and associated notes are reported on pages 6 to 10 of the accounts. The accounts show net incoming resources of £949 which relates to interest receivable on the deferred consideration for the transfer of the school offset by expenditure on charitable activities.

As at 31 August 2016, net liabilities of £450,002 are reported. This comprises amounts due to the parent. The deferred consideration for the transfer of the school was received in the year.

Signed on behalf of the Trustees

C Glover  
Trustee

24 May 2017



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONKTON HOUSE KINGS COLLEGE (CARDIFF) EDUCATIONAL TRUST LIMITED**

We have audited the financial statements of Monkton House Kings College (Cardiff) Educational Trust Limited for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### ***Respective responsibilities of trustees and auditors***

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.~~

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### ***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2016 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 matters prescribed by the Companies Act 2006***

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the trustees' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the trustees' report.

***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 trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.



James Aston, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 25 May 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 August 2016



	<u>Notes</u>	<b>Total Year to 31 August 2016 £</b>	<b>Total Year to 31 August 2015 £</b>
<b>Income</b>			
<u>Income from investments</u>			
Interest income		3,108	-
<b>Total income</b>		<u>3,108</u>	<u>-</u>
<b>Expenditure</b>			
<u>Expenditure on charitable activities</u>			
Charitable activities		2,159	(40,592)
<b>Total expenditure</b>	<b>4</b>	<u>2,159</u>	<u>(40,592)</u>
<b>Net income</b>		<u>949</u>	<u>40,592</u>
 <b>Balance brought forward at 1 September</b>		 (450,951)	 (491,543)
<b>Balance carried forward at 31 August</b>		<u><b>(450,002)</b></u>	<u><b>(450,951)</b></u>

All Charity funds are unrestricted.

All income is from discontinued activities.

The Charity has no recognised gains and losses, other than the gains above, and therefore no separate Statement of Total Recognised Gains and Losses has been presented.



**BALANCE SHEET**  
As at 31 August 2016



	Notes	As at 31 August 2016 £	As at 31 August 2015 £
<b>CURRENT ASSETS</b>			
Debtors	6	-	600,000
Cash at bank and in hand		99	283
		<u>99</u>	<u>600,283</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7	(450,101)	(1,051,234)
<b>Net current liabilities</b>		<u>(450,002)</u>	<u>(450,951)</u>
<b>NET LIABILITIES</b>		<u>(450,002)</u>	<u>(450,951)</u>
 <b>CHARITABLE FUNDS</b>			
Unrestricted funds		(450,002)	(450,951)
<b>TOTAL FUNDS</b>		<u>(450,002)</u>	<u>(450,951)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The notes on pages 8 to 10 form part of these accounts.

The financial statements on pages 6 to 10 were approved by the Board of Trustees and authorised for issue on <sup>24</sup>May 2017 and are signed on its behalf by:

Carol Glover  
Trustee

## 1. PRINCIPAL ACCOUNTING POLICIES

### a) Basis of accounting

The entity is a charitable company incorporated in England at Highbridge House, 16-18 Duke Street, Reading, RG1 4RU. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, including the July 2015 Section 1A 'Small entities' amendments. The charitable company has early adopted the provisions of Section 1A which ordinarily comes into effect for accounting periods beginning on or after 1 January 2016.

The financial statements have been prepared under the historical cost convention.

In preparing these accounts the trustees have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102), a restatement of comparatives was required. The transition date was 1 September 2014. Expenditure comparatives for the year ended 31 August 2015 have been restated under the Charities SORP (FRS 102) for £2.4k of governance costs, which were previously disclosed separately on the SOFA. Under the Charities SORP (FRS 102), governance costs are included under support costs and allocated across the other categories of expenditure. There have been no other material changes to the amounts, classification or presentation within the financial statements.

The Charity meets the definition of a public benefit entity under FRS 102.

A summary of the accounting policies, which have been applied consistently, is set out below.

In preparing the financial statements, the trustees are required to make estimates and judgements. The items in the financial statements where these judgments and estimates have been made include:

- (i) Bad debts - The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.
- (ii) Accruals - The estimate for payables relates to the liabilities not settled at the year end. A review is performed on an individual creditor basis to estimate the amount will be collected.

### b) Cash flow statement

As a qualifying entity (for the purposes of FRS 102 Section 1A, 'Small entities'), the charitable company has taken advantage of the reduced disclosure framework exemption from requirement to prepare a statement of cash flows.

### c) Income

Income from investments includes interest income and is included in the Statement of Financial Activities on a receivable basis.

### d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT as the Charity is not registered.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### e) Financial Instruments

The Charity only has financial assets and liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

**f) Funds Structure**

General unrestricted funds represent resources available to be applied by the trustees for the general purposes of the Charity.

**g) Going Concern**

The Charity is dependent on the continued financial support of its parent undertaking, Education Development. The accounts of the Charity have been prepared on a going concern basis as the parent Charity has indicated it will continue to give the support required for the foreseeable future.

**2. STAFF AND TEACHER COSTS**

There were no employees during the financial year ended 31 August 2016.

**3. NET INCOME**

is stated after charging

	Year to 31 August 2016	Year to 31 August 2015
	£	£
Auditors' remuneration	2,412	2,400

**4. EXPENDITURE**

	Other (inc. £	Total Year to 31 £	Total Year to 31 £
Expenditure on charitable activities	(949)	(949)	(40,592)

**5. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES**

Amounts due to Education Development Trust are disclosed in note 7. There are no other related party transactions which require disclosure.

During the year no Trustees were remunerated and no expenses were reimbursed to Trustees.

**6. DEBTORS:**

	As at 31/08/2016 £	As at 31/08/2015 £
Amounts falling due within one year		
Other debtors	-	600,000
	<u>-</u>	<u>600,000</u>

**7. CREDITORS:**

	As at 31/08/2016 £	As at 31/08/2015 £
Amounts falling due within one year		
Accruals	2,412	2,400
Amounts owed to parent undertaking	439,458	1,039,437
Other creditors	8,231	9,397
	<u>450,101</u>	<u>1,051,234</u>

**8. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

All assets and liabilities represent unrestricted funds.

**9. COMPANY LIMITED BY GUARANTEE**

The Company is limited by guarantee. In the event of a deficiency arising on liquidation, each member has undertaken to contribute to the assets of the company a sum not exceeding £1.

**10. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY**

The parent and group that includes Kings Monkton in its results is Education Development Trust. The Trustees regard Education Development Trust, a company limited by guarantee and a charity (registered charity number 270901), as the ultimate parent company and ultimate controlling party. Copies of the parent's consolidated financial statements may be obtained from Highbridge House, 16-18 Duke Street, RG1 4RU.