

COMPANY NO: 900240

**HOLME GRANGE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008**

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HOLME GRANGE LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2008

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HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2008

The Board of Directors present their Annual Report for the year ended 31 August 2008 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Companies Act 1985, the Company's Memorandum and Articles of Association and the Charities SORP 2005.

REFERENCE & ADMINISTRATIVE INFORMATION

Holme Grange Limited is a charitable company founded in 1967, charity registration number 309105, company registration number 900240 with the liability of its members limited to £1 each by guarantee. The registered office and principal address of the company is Holme Grange School, Heathlands Road, Wokingham, Berkshire, RG40 3AL.

Directors

The present Directors of the company, who are also the Charity Trustees and the Governors of the School, and also any ex-Directors who served during the year as indicated, are:-

| | | |
|--|---|---|
| Mr T M Andrews - Chairman | | |
| Mr M Bowyer | | + |
| Mr D G Eyrie | * | |
| Mr A Finch (w.e.f. 17 th March 2008) | * | |
| Mr J M Hawe - vice Chairman (deceased 8 th August 2008) | | |
| Mr J M Hill | * | + |
| Mr R Obbard (resigned 31 st December 2007) | | |
| Mrs L Raabe-Marjot | * | |
| Mr A Ross | | + |

* Member of the General Purposes Committee

+ Member of the Buildings and Grounds Committee

Key Executives and Professional Advisers

Headmaster: Mr N J Brodrick B.Ed (Left 8th August 2008)

Bursar: Mrs E C Juffs

Bankers: National Westminster Bank plc
5 Broad Street
Wokingham
Berkshire
RG40 1FH

Solicitors: Clifton Ingram LLP
22 Broad Street
Wokingham
Berkshire
RG40 1BA

Auditor: Horwath Clark Whitehill LLP
Aquis House
49 – 51 Blagrove Street
Reading
RG1 1PL

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by its Memorandum and Articles of Association, last amended on 19th October 2000.

Governing Body

The Directors, who are also required under the Articles to serve as members of the company, are elected at the Annual General Meeting of the company. They may also be appointed at other full meetings of the Directors but only retain office until the next Annual General Meeting when they shall retire but be eligible for re-election. At every Annual General Meeting, one third of the Directors shall retire from office but be eligible for re-election. Those to retire shall be the Directors who have been longest in office since their last election or appointment.

Trustee-training

New Directors are inducted into the workings of the School, and also of the company as a registered charity, including Board Policy and Procedures. The Board is a member of the Association of Governing Bodies of Independent Schools and takes advantage of training sessions provided by the organisation when appropriate.

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Head and the Bursar also attend these meetings. The work of implementing most of the Board's policies is carried out by two sub committees. The General Purposes Committee, chaired by Mr J M Hill, meets approximately three weeks before each meeting of the full Governing Board and on extra occasions as required, to review the ongoing financial and business administration aspects of the School, making recommendations to the main Board as necessary. The Buildings and Grounds Committee, chaired by Mr A Ross, meets at least three times a year to ensure the School's buildings and grounds are maintained in a good state of repair, and to make recommendations to the main Board for new projects. This Committee also oversees the progress of any such projects sanctioned by the Board so that they are effectively managed through to completion. The day-to-day running of the School is delegated to the Head and the Bursar, with the support of the Deputy Head, Director of Studies, Head of Pre-Prep and Head of Nursery, as the Senior Management Team.

Group structure and relationships

The Head of Holme Grange is an active member of IAPS for the promotion and maintenance of preparatory school standards generally. The Headmaster left at the end of the summer term, 2008 and the Governors recruited a replacement (lady) Headteacher from a numerous and well qualified list of applicants for the post. She will join the school at the beginning of the Spring Term, 2009. Meanwhile the School will be led by the Deputy as acting Headmaster.

Holme Grange is involved in the local community through its Community Liaison Officer, providing support for local primary school teachers and pupils. The School aims to promote in its pupils the importance of looking at the wider community through supporting Majivuni School in Kenya in various ways.

The School is supported by the Parents' Amenities Association, which acts as a social organisation holding regular events involving all parents, and which also raises funds for projects chosen jointly with the Governors.

Risk Management

Through its General Purposes Committee the Board keeps 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. The effectiveness of the systems of internal controls and other viable means, including insurance cover where appropriate, are closely monitored so that those risks already identified can best be mitigated.

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2008

The Head is formally designated as the School's Health and Safety Officer, and the Bursar is the co-ordinating executive responsible for managing functions of safety and health with the support of the Senior Management Team and a specialist consultant retained by the School.

The Headteacher is the designated Child Protection Officer, supported by two full time members of staff who have received appropriate training from the Local Authority.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Object of the Company, in accordance with its Memorandum of Association, is the education of children up to age 13.

Strategic Aim and Intended Effect

The School's strategic aim to reach its annual objective is the attainment of the highest academic levels in keeping with the ability of each pupil, whilst allowing pupils to benefit from a very full extra-curricular programme, which is available to all. This is intended to challenge and develop their abilities and academic potential, and promote wider interests in life so that they are well motivated and prepared for a successful outcome at their chosen senior school.

Objectives for the Year

The Board's main objective continued to be to educate all the School's pupils to at least the same high standard achieved by the School in the previous years, so that they would be fully able to benefit from their chosen senior school for the completion of their education in due course. The strategy for achieving this was to maintain a favourable teacher-to-pupil ratio closely tailoring the education provided to suit pupils' individual needs and abilities.

Principal Activity

Holme Grange's principal activity continued to be the provision of a Day School for 3-13 year old boys and girls. The autumn term began in September 2007 with 279 pupils on the School roll, made up of 158 boys and 121 girls.

Grant-making

The Board is now able to support some pupils joining the School from elsewhere through our Bursary Scheme. This support is available on a needs basis with the Head and the Bursar compiling an academic and financial assessment of each case for consideration by the General Purposes Committee. £10,000 is set aside year on year to support children through means tested bursaries.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

All Holme Grange pupils moved successfully to their chosen senior school, except where a change in personal circumstances entailed a move away from the area. This achievement has been greatly fostered through the retention of high quality teaching staff.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

A small operating surplus was achieved to help finance the ongoing capital expenditure needed to upgrade the School's facilities in order to keep pace with what is expected of the school as a premier educational establishment.

Corporate free reserves now stand at £230,238. The Board has determined that the appropriate level of free reserves which are not invested in tangible fixed assets should be equivalent to one term's expenditure, approximately £825,000. The policy is therefore to continue building up reserves to that level by means of annual operating surpluses. The Board continues to monitor the company's bank accounts to ensure that in the absence of free reserves, they remain adequate to cover the school's working capital requirements.

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2008

FUTURE PLANS

The Board reviews its Strategic Development Plan annually, prioritising and selecting items to be brought forward as part of the current Action Plan. The key objectives within the current Plan are:

1. Review of the current academic syllabus, in particular subject schemes of work and the use of reading schemes within the English department.
2. In close consultation with them, the School's management and Governors advised by a specialist consultant, have carried out an in-depth review of the School's resources for Information Technology with the intention of making a major investment in new equipment and resources that will bring the School in line with current best practice. It is also proposed that the installation will benefit the School's administrative functions.
3. Significant capital development within the Plan is focused on improving the facilities of the swimming pool and effecting significant improvements to the structure and equipment of the sports hall. These developments will be overseen by the Buildings and Grounds Committee.
4. Other items on the Action Plan generated within the normal routines of the School related to administration, discipline, communication with parents both existing and prospective through the publication of a new prospectus and distribution of an informative brochure for Years 7 and 8.
5. The Plan continued to promote regular staff in-service training and professional development on a continuous, budgeted basis.
6. Separate from The Plan but integrated with the School's other objectives, is an investigation aimed at effectively improving its marketing strategies.

**HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2008**

PROVISION OF INFORMATION TO AUDITORS

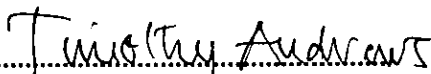
Each of the persons who are Directors at the time when this Report of Directors is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of Horwath Clark Whitehill LLP as auditors to the company will be put to the annual general meeting.

Approved by the Board of Directors at its meeting on 27th November 2008
and signed on its behalf by:


.....
T M Andrews
Chairman

HOLME GRANGE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2008

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED

We have audited the financial statements of Holme Grange Limited for the year ended 31 August 2008, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes set out on pages 12 to 19. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of the Directors and Auditors

The responsibilities of the Directors, who are also the Charity Trustees for the purposes of charity law, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

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

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 judgments made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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 AUDITORS' REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED (CONTINUED)

Unqualified opinion

In our opinion:

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

Horwath Clark Whitehill

HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

Date 3 December 2008

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

HOLME GRANGE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2008

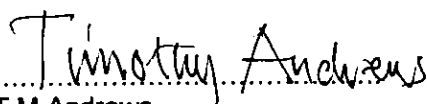
| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2008 £ | 2007 £ |
|--|-------|----------------------------|--------------------------|--------------------|------------------|
| INCOMING RESOURCES | | | | | |
| Income from charitable activities: | | | | | |
| School Fees receivable | 2a | 2,357,015 | - | 2,357,015 | 2,214,493 |
| Other income | 2b | 91,242 | - | 91,242 | 35,964 |
| Income from generated funds: | | | | | |
| Donations | | 40 | 14,907 | 14,947 | 20,645 |
| Rent and other income | | 107 | - | 107 | 2,549 |
| Investment income | | <u>15,890</u> | <u>-</u> | <u>15,890</u> | <u>10,817</u> |
| Total incoming resources | | <u>2,464,294</u> | <u>14,907</u> | <u>2,479,201</u> | <u>2,284,468</u> |
| RESOURCES EXPENDED | | | | | |
| Charitable activities: | | | | | |
| School operating costs | | 2,444,995 | 6,898 | 2,451,893 | 2,089,661 |
| Governance costs | | 15,071 | - | 15,071 | 24,156 |
| Cost of generating funds: | | | | | |
| Fund raising cost | | 107 | - | 107 | - |
| Financing costs | | <u>6,273</u> | <u>-</u> | <u>6,273</u> | <u>48,834</u> |
| Total resources expended | 4a | <u>2,466,446</u> | <u>6,898</u> | <u>2,473,344</u> | <u>2,162,651</u> |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | | | | |
| Transfers between funds | | (2,152) | 8,009 | 5,857 | 121,817 |
| | | <u>11,259</u> | <u>(11,259)</u> | <u>-</u> | <u>-</u> |
| NET INCOMING RESOURCES | | 9,107 | (3,250) | 5,857 | 121,817 |
| Gain on revaluation of freehold land and buildings | | <u>30,802</u> | <u>-</u> | <u>30,802</u> | <u>30,802</u> |
| NET MOVEMENT IN FUNDS | | 39,909 | (3,250) | 36,659 | 152,619 |
| <i>Funds brought forward 1 September 2007</i> | | <u>5,136,567</u> | <u>3,250</u> | <u>5,139,817</u> | <u>4,987,198</u> |
| Funds carried forward at 31 August 2008 | | <u>5,176,476</u> | <u>-</u> | <u>5,176,476</u> | <u>5,139,817</u> |

All of the activities of the charitable company are classed as continuing.

HOLME GRANGE LIMITED
BALANCE SHEET
31 AUGUST 2008

| | Notes | 2008 £ | 2007 £ |
|---|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 4,969,903 | 4,901,410 |
| CURRENT ASSETS | | | |
| Stocks | 6 | 6,605 | 19,931 |
| Debtors | 7 | 65,424 | 133,283 |
| Cash | | <u>523,677</u> | <u>427,046</u> |
| | | 595,706 | 580,260 |
| CREDITORS: amounts falling due within one year | 8 | <u>(365,468)</u> | <u>(271,058)</u> |
| NET CURRENT ASSETS | | <u>230,238</u> | <u>309,202</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,200,141 | 5,210,612 |
| CREDITORS: amounts falling due after more than one year | | | |
| Loans | 9 | <u>(23,665)</u> | <u>(70,795)</u> |
| TOTAL NET ASSETS | | <u>5,176,476</u> | <u>5,139,817</u> |
| Unrestricted funds - (including a revaluation reserve of £2,874,089) | | 5,176,476 | 5,136,567 |
| Restricted funds | | <u>-</u> | <u>3,250</u> |
| TOTAL FUNDS | 11 | <u>5,176,476</u> | <u>5,139,817</u> |

Approved and authorised by the Board on 27th November 2008
and signed on its behalf by:-


T M Andrews
Chairman

HOLME GRANGE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2008

| | 2008 £ | 2007 £ | |
|---|------------------------|----------------|------------------------|
| Net cash inflow from operating activities | 217,829 | 115,161 | |
| Interest received | 15,890 | 10,817 | |
| Interest paid | (7,423) | (8,766) | |
| Payments to acquire tangible fixed assets | (89,635) | (40,723) | |
| Receipts from sale of fixed assets | - | - | |
| Cash inflow before financing | 136,661 | 76,489 | |
| Financing - net outflow from bank loans | (40,030) | (36,465) | |
| Increase/(decrease) in cash | 96,631 | 40,024 | |
| Reconciliation of operating surplus to net cash inflow from operating activities | | | |
| Operating surplus | 5,857 | 121,817 | |
| Interest receivable | (15,890) | (10,817) | |
| Interest payable | 7,423 | 8,766 | |
| (Profit)/loss on disposal of fixed assets | 164 | - | |
| Depreciation | 51,780 | 48,685 | |
| (Increase)/decrease in stocks | 13,326 | (2,970) | |
| (Increase)/decrease in debtors | 67,859 | (51,735) | |
| (Decrease)/increase in creditors | 87,310 | 1,415 | |
| Net cash inflow from operating activities | 217,829 | 115,161 | |
| Reconciliation of net cash flow movement to movement in net debt | | | |
| Increase/(decrease) in cash in the year | 96,631 | 40,024 | |
| Cash outflow/(inflow) from bank loans | 40,030 | 36,465 | |
| Change in net debt | 136,661 | 76,489 | |
| Net funds at 1 September 2007 | 319,416 | 242,927 | |
| Net funds at 31 August 2008 | 456,077 | 319,416 | |
| Analysis of changes in net debt | | | |
| | 31 August 2007 £ | Cash flow £ | 31 August 2008 £ |
| Cash in hand | 427,046 | 96,631 | 523,677 |
| Debt due within 1 year | (36,835) | (7,100) | (43,935) |
| Debt due after more than 1 year | (70,795) | 47,130 | (23,665) |
| | | 40,030 | |
| Net funds | 319,416 | 136,661 | 456,077 |

The notes on pages 12 to 19 form part of these financial statements

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared under the Companies Act 1985 historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

b) Company status

The charity is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure in respect of the Governance of the charity includes Governors' expenses, audit and certain legal costs.

f) Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

| | |
|---|-----------------|
| Freehold buildings | - 2% per annum |
| Fixtures, fittings and equipment | - 10% per annum |
| Motor vehicles | - 25% per annum |
| Computer equipment | - 33% per annum |
| Assets under £1,000 are not capitalised | |

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES (Continued)

f) Tangible fixed assets (continued)

Until the balance sheet dated 31 August 1999, freehold property was not depreciated as required by Standard Accounting Practice 12 on the grounds that, in the opinion of the Directors, the market value of the property was in excess of the value incorporated in the financial statements. Following the introduction of FRS 15 the Directors decided to adopt the policy of revaluing its land and buildings on a regular basis with the first revaluation reflected in the balance sheet dated 31 August 2000. The property was again revalued at 31 August 2002, 31 August 2004 and 31 August 2006.

g) Fees

Fees consist of charges for the School year ending 31 August 2008.

h) Stocks

These are valued at the lower of cost and net market value.

i) Expenditure

As the School is not required to be registered for Value Added Tax purposes, its expenditure in these financial statements is therefore shown inclusive of Value Added Tax paid.

j) Teaching costs

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred subject to the values of stocks held (see Note 6).

k) Pension costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The School also operates a defined contributory group personal pension scheme for non-teaching staff.

l) Operating leases

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

2. a FEES RECEIVABLE

| | 2008 £ | 2007 £ |
|-------------------------|------------------|------------------|
| Fees Nursery | 136,639 | 130,854 |
| Fee Pre-prep | 681,838 | 620,312 |
| Fees Prep | 1,542,287 | 1,436,980 |
| Schools After Care | 16,506 | 15,791 |
| Learning support fees | 54,635 | 49,618 |
| Music tuition | <u>52,800</u> | <u>49,973</u> |
| Gross Fees receivable | <u>2,484,705</u> | <u>2,303,528</u> |
| Bursaries and discounts | <u>(127,690)</u> | <u>(89,035)</u> |
| Net Fees receivable | <u>2,357,015</u> | <u>2,214,493</u> |

2. b OTHER INCOME

| | 2008 £ | 2007 £ |
|-------------------|---------------|---------------|
| Registration fees | 3,000 | 3,100 |
| Sundry income | <u>88,242</u> | <u>32,864</u> |
| | <u>91,242</u> | <u>35,964</u> |

3. STAFF COSTS

| | 2008 £ | 2007 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,514,159 | 1,349,621 |
| Social security costs | 111,767 | 102,246 |
| Pension contributions | <u>146,860</u> | <u>127,885</u> |
| | <u>1,772,786</u> | <u>1,579,752</u> |

The average number of employees in the year was:-

| | No. | No. |
|----------------------|-----------|-----------|
| Teaching - full time | 28 | 25 |
| - part time | 23 | 12 |
| Domestic | 10 | 12 |
| Administration | <u>4</u> | <u>4</u> |
| | <u>65</u> | <u>53</u> |

The Directors received no remuneration during the year (2007: £Nil). The Directors were reimbursed travelling expenses of £2,998 during the year (2007: £1,690).

There was 1 employee whose emoluments exceeded £130,000 (2007: one). Pension contributions paid in respect of that employee amounted to £9,509 (2007: £8,790).

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

4. a EXPENDITURE – Analysis of total resources expended

| | Staff costs £ | Other £ | Depreciation £ | Total £ | 2007 £ |
|----------------------------------|------------------|----------------|-------------------|------------------|------------------|
| Charitable activities: | | | | | |
| Teaching costs | 1,483,589 | 137,497 | 4,315 | 1,625,401 | 1,428,737 |
| Welfare costs | 84,308 | 50,590 | 654 | 135,552 | 125,937 |
| Premises costs | 77,976 | 373,017 | 46,811 | 497,804 | 383,073 |
| Support costs for schooling | <u>126,913</u> | <u>66,223</u> | <u>-</u> | <u>193,136</u> | <u>151,914</u> |
| | 1,772,786 | 627,327 | 51,780 | 2,451,893 | 2,089,661 |
| Governance costs | <u>-</u> | <u>15,071</u> | <u>-</u> | <u>15,071</u> | <u>24,156</u> |
| | 1,772,786 | 642,398 | 51,780 | 2,466,964 | 2,113,817 |
| Cost of generating funds: | | | | | |
| Fund raising costs | - | 107 | - | 107 | - |
| Finance costs | <u>-</u> | <u>6,273</u> | <u>-</u> | <u>6,273</u> | <u>48,834</u> |
| TOTAL RESOURCES EXPENDED | <u>1,772,786</u> | <u>648,778</u> | <u>51,780</u> | <u>2,473,344</u> | <u>2,162,651</u> |

4. b EXPENDITURE – Other disclosures

| | | 2008 £ | 2007 £ |
|---------------------------|----------------------|---------------|---------------|
| Governance costs include: | | | |
| Auditors' remuneration | : for audit | 8,900 | 9,987 |
| | : for other services | <u>3,173</u> | <u>12,479</u> |
| | | <u>12,073</u> | <u>22,466</u> |

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

5. TANGIBLE FIXED ASSETS

| | Freehold land & buildings £ | Furniture & equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|--------------------------------------|-------------------------------|----------------------------|------------------------|-------------------------|
| Cost or valuation | | | | | |
| 1 September 2007 | 4,745,000 | 329,855 | 47,394 | 40,429 | 5,162,678 |
| Additions | - | 33,285 | 56,350 | - | 89,635 |
| Disposals | - | - | - | (17,079) | (17,079) |
| 31 August 2008 | <u>4,745,000</u> | <u>363,140</u> | <u>103,744</u> | <u>23,350</u> | <u>5,235,234</u> |
| Cost | - | 363,140 | 103,744 | 23,350 | 490,234 |
| Valuation | <u>4,745,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,745,000</u> |
| | <u>4,745,000</u> | <u>363,140</u> | <u>103,744</u> | <u>23,350</u> | <u>5,235,234</u> |
| Depreciation | | | | | |
| 1 September 2007 | - | 188,889 | 34,729 | 37,650 | 261,268 |
| Charge for the year | 30,802 | 16,009 | 4,315 | 654 | 51,780 |
| Disposals | - | - | - | (16,915) | (16,915) |
| Revaluation | <u>(30,802)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(30,802)</u> |
| 31 August 2008 | <u>-</u> | <u>204,898</u> | <u>39,044</u> | <u>21,389</u> | <u>265,331</u> |
| Net book values | | | | | |
| 31 August 2008 | <u>4,745,000</u> | <u>158,242</u> | <u>64,700</u> | <u>1,961</u> | <u>4,969,903</u> |
| 31 August 2007 | <u>4,745,000</u> | <u>140,966</u> | <u>12,665</u> | <u>2,779</u> | <u>4,901,410</u> |

Following the introduction of FRS 15 the Directors decided to adopt the policy of revaluing its land and buildings on a regular basis with the first revaluation reflected in the balance sheet dated 31 August 2000. The property was again revalued at 31 August 2002, 31 August 2004 and 31 August 2006. The last valuation was carried out independently on 31 August 2006 by Vail Williams LLP, a firm of Chartered Surveyors. The valuation was made in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors at open market value.

The Directors have undertaken a revaluation at 31 August 2008 and we are satisfied that the valuation supplied by Vail Williams LLP at 31 August 2006 is still appropriate.

If freehold land and buildings had not been revalued, they would have been included at the following amounts:-

| | 2008 £ | 2007 £ |
|------------------------|-------------------------|-------------------------|
| Cost | 1,901,542 | 1,901,542 |
| Aggregate depreciation | <u>(317,655)</u> | <u>(279,624)</u> |
| Net book value | <u>1,583,887</u> | <u>1,621,918</u> |

All assets are used for direct charitable purposes.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

6. STOCKS

| | 2008 £ | 2007 £ |
|----------------------------------|---------------------|----------------------|
| Oil | 1,964 | 2,550 |
| Stationery | 92 | 9,977 |
| Provisions and goods for re-sale | <u>4,549</u> | <u>7,404</u> |
| | <u><u>6,605</u></u> | <u><u>19,931</u></u> |

7. DEBTORS

| | 2008 £ | 2007 £ |
|------------------------|----------------------|-----------------------|
| Fees and disbursements | 33,270 | 80,486 |
| Other debtors | 1,154 | 4,671 |
| Prepayments | <u>31,000</u> | <u>48,126</u> |
| | <u><u>65,424</u></u> | <u><u>133,283</u></u> |

8. CREDITORS: Amounts falling due within one year

| | 2008 £ | 2007 £ |
|---------------------------------|-----------------------|-----------------------|
| Bank loans and overdrafts | 43,935 | 36,835 |
| Trade creditors | 126,543 | 68,390 |
| Other taxes and social security | 45,552 | - |
| Other creditors | 75,134 | 82,736 |
| Accruals and deferred income | <u>74,304</u> | <u>83,097</u> |
| | <u><u>365,468</u></u> | <u><u>271,058</u></u> |

9. CREDITORS: Amounts falling due after more than one year

| | 2008 £ | 2007 £ |
|------------|----------------------|----------------------|
| Bank loans | <u><u>23,665</u></u> | <u><u>70,795</u></u> |

The bank loan is a Capped Interest Rate Loan of £350,000, repayable over 12 years from 29 January 1998, it is secured by way of a 1st Legal Mortgage on the School premises.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

10. RESTRICTED FUNDS

The restricted funds as at 31 August 2007 totalled £3,250. There were incoming restricted funds during the year amounting to £14,907. All the restricted funds were spent on their relevant purpose during the year, leaving no outstanding restricted funds as at 31 August 2008.

11. FUNDS

| | Other funds (including revaluation reserve) £ | Restricted funds £ | Total £ |
|---|---|--------------------------|---------------------------|
| As at 31 August 2007 | 5,136,567 | 3,250 | 5,139,817 |
| Incoming resources | 2,464,294 | 14,907 | 2,479,201 |
| Resources expended | (2,466,446) | (6,898) | (2,473,344) |
| Surplus on revaluation of land and buildings | 30,802 | - | 30,802 |
| Transfers between reserves | <u>11,259</u> | <u>(11,259)</u> | <u>-</u> |
| As at 31 August 2008 | <u>£ 5,176,476</u> | <u>£ -</u> | <u>£ 5,176,476</u> |

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 31 August 2008 £ | Restricted funds 31 August 2008 £ | Total funds 31 August 2008 £ |
|---|--|--|---------------------------------------|
| Tangible fixed assets | 4,969,903 | - | 4,969,903 |
| Current assets | 595,706 | - | 595,706 |
| Current liabilities | (365,468) | - | (365,468) |
| Creditors – amounts falling due after more than one year | <u>(23,665)</u> | <u>-</u> | <u>(23,665)</u> |
| | <u>£5,176,476</u> | <u>£ -</u> | <u>£5,176,476</u> |

13. OTHER FINANCIAL COMMITMENTS

The following annual commitments existed at 31 August 2008 in respect of non-cancellable operating leases expiring:-

| | Land and buildings | | Other operating leases | |
|----------------------------|--------------------|------------|------------------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Between one and five years | <u>£ -</u> | <u>£ -</u> | <u>£ 2,820</u> | <u>£ 1,528</u> |

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

14. PENSION SCHEME

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

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 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 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations); a total contribution rate of 20.5%. 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 for the 2008 valuation – a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £134,947 (2007: £118,226).

The School also runs a scheme for its non-teaching staff, which is a defined contributions scheme. The cost for the year represents the School's contributions to the scheme of £11,913 (2007: £9,659).

The amount unpaid at the year end included in other creditors was £15,591 (2007: £Nil).