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COMPANY NO: 900240

HOLME GRANGE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

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HOLME GRANGE LIMITED
CONTENTS TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

	Page
Directors' Annual Report	1 – 5
Statement of Directors' Responsibilities	6
Independent Auditors' Report	7 – 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Financial Statements	12 - 20

HOLME GRANGE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2009

The Board of Directors present their Annual Report for the year ended 31 August 2009 under the Companies Act 2006 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 2006, 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 G W P Barber (appointed 27 th November 2008)	^	
Mr H M S Bowyer	+	
Mr P R Brooks (appointed 27 th November 2008)	^	
Mr D G Eyriey	*	=
Mr A J Finch	*	=
Mr J M Hill	*	
Mrs L E Raabe-Marjot	*	
Mr A J Ross	+	

- * Member of the General Purposes Committee
- + Member of the Buildings and Grounds Committee
- = Member of the Marketing Committee
- ^ Member of the Education Committee

Key Executives and Professional Advisers

Headteacher:	Mrs C L Robinson BA PGCE NPQH
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 2009

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 (AGBIS) and takes advantage of training sessions provided by the organisation when appropriate, or of others such as the Independent Association of Preparatory Schools (IAPS).

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 four 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 J 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. It liaises with the General Purposes Committee to establish annual and project budgets.

The Marketing Committee, chaired by Mr A J Finch meets at least once per term to formulate a publicity and marketing strategy for approval by the Governing Body and oversee its implementation with a clear goal to increase pupil recruitment, and to present the image and ethos of Holme Grange School appropriately. This Committee also assists the Headteacher in promoting good relationships with parents and the community, and liaises with the General Purposes Committee to establish its annual and longer term budgets.

The Education Committee, chaired by Mr G W P Barber, meets at least twice a year to approve the school's curriculum policy and to monitor implementation of changes to the School curriculum. This Committee considers and advises the Governing Body on standards and other matters relating to the School's curriculum and curricular issues which have implications for finance and personnel decisions. It appropriately makes recommendations to the relevant committees or the Governing Body.

The day-to-day running of the School is delegated to the Head and the Bursar. They are supported by a Senior Management Team comprising the Head of Upper School, Head of Middle School, and Head of Pre-Prep and Nursery and Special Educational Needs Co-ordinator (SENCo).

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2009

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 Head took up her post in January 2009 following a term of interim arrangements where the Deputy Head led and managed the school as Acting Head.

Holme Grange School is involved in the local community through its Community Liaison Officer who fosters an active relationship with local maintained primary schools, their teachers and pupils. The School aims to support local, national and international charity organisations over the course of an academic year. It also aims to promote in its pupils the importance of looking at the wider community through supporting a number of charities chosen by the School's Pupil Council, including Majivuni School in Kenya.

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.

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 Head is the appointed Child Protection Officer, assisted by one full time member of staff; each has undertaken appropriate training from the Local Authority. All staff will be trained or updated in their knowledge of Child Protection procedures at the start of the Autumn Term 2009.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Object of the Company, in accordance with its Memorandum of Association, is to establish a school or schools for the education of boys and girls, to provide instruction of the highest standard and for the school or schools to be carried on as an educational charity.

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, and structuring 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 2008 with 254 pupils on the School roll, made up of 153 boys and 101 girls.

**HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2009**

Grant-making

In agreeing and setting objectives the Holme Grange School Directors, as charity trustees, have complied with their duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general guidance concerning the operation of the public benefit requirement under that Act.

The Board is now able to support some pupils joining the School from elsewhere through its Bursary Scheme. This provision 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. An increased amount has been 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

An operating loss of £121,041 was made this year in a very difficult economic climate. With the generally held view that growth in the UK economy will be slow for the next year or so, our forecast for 2009/10 indicates further but manageable losses will be incurred in the current year. However, the Board is confident that, with the new Senior Management Team in place and the actions we have taken to address the situation, we can be optimistic about the medium term outlook.

At the Balance Sheet date corporate free reserves stood at £157,649. The Board aims to build the level of free reserves which are not invested in tangible fixed assets to a figure it feels is appropriate. The policy is therefore to build up reserves to a sum equivalent to a term's expenditure, approximately £825,000, by means of annual operating surpluses when economic circumstances allow. The Board continues to monitor the Company's bank accounts to ensure that in the absence of this level of free reserves, they remain adequate to cover the School's working capital requirements.

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 for all subjects on a rolling programme, starting with core subjects followed by those tested at 13+ Common Entrance.
2. Following detailed consultation, the previous year's review of Information Communication Technology (ICT) provision has resulted in substantial investment to bring the School in line with current best practice. All teaching rooms are now equipped with interactive whiteboards with an interactive table in the reception classroom. A trolley of laptop computers further supports the use of ICT across the curriculum and the new management information system has supported the School's administrative functions. This aspect of the development continues, based appropriately upon the evolving needs of different curriculum subjects.
3. Capital development within the plan is focused on improving the structure and equipment of the Sports Hall, the expansion of performing arts areas within the School, refurbishment of the Music School and improved parking on the School site. Development of the swimming pool remains a formal project on the longer term plan. Progress will be dependent on sufficient financial resources being available. All these developments will be overseen by the Buildings and Grounds Committee.

**HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2009**

FUTURE PLANS (CONTINUED)

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 web site, and distribution of an informative newsletter published twice each half term, together with an updated brochure for Years 7 and 8. In addition, the School is developing its communication channels with parents through the introduction of Clarion Call, a reputable messaging service.
5. The Plan will maintain regular staff in-service training and professional development on a continuous, budgeted basis.
6. In line with the strategy developed and monitored by the Marketing Committee, the School will actively market its service both to the local and wider community.
7. The School will continue to strive for excellence and to be recognised as a leader in its field within the local community, aiming to be parents' first preference when seeking a place for their child.

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
and signed on its behalf by:

..... T M Andrews 18.11.09
T M Andrews
Chairman

HOLME GRANGE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2009

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2009, set out on pages 9 to 20. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Charitable Company's members, as a body, in accordance with Section 495 to 496 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 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 Auditor

The Directors' (who are also the Charity Trustees for the purposes of charity law) responsibilities for preparing the Annual 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.

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Charity 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 Directors' remuneration and other transactions with the Charity is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED (CONTINUED)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom 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 Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charitable Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, of the state of affairs of the Charitable Company as at 31 August 2009 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 United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

Alastair Lyon
Senior Statutory Auditor
for and on behalf of Horwath Clark Whitehill LLP
Chartered Accountants and Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date: 25 November 2009

HOLME GRANGE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2009 £	2008 £
INCOMING RESOURCES					
Income from charitable activities:					
School Fees receivable	2a	2,223,157	-	2,223,157	2,357,015
Other income	2b	191,382	-	191,382	91,242
Income from generated funds:					
Donations		-	28,899	28,899	14,947
Rent and other income		2,351	-	2,351	107
Investment income		8,118	-	8,118	15,890
Total incoming resources		2,425,008	28,899	2,453,907	2,479,201
RESOURCES EXPENDED					
Charitable activities:					
School operating costs		2,532,040	15,200	2,547,240	2,451,893
Governance costs		14,990	-	14,990	15,071
Cost of generating funds:					
Fund raising cost		1,790	-	1,790	107
Financing costs		10,928	-	10,928	6,273
Total resources expended	4a	2,559,748	15,200	2,574,948	2,473,344
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS					
Transfers between funds		(134,740)	13,699	(121,041)	5,857
		12,199	(12,199)	-	-
NET INCOMING RESOURCES		(122,541)	1,500	(121,041)	5,857
Gain on revaluation of freehold land and buildings		-	-	-	30,802
NET MOVEMENT IN FUNDS		(122,541)	1,500	(121,041)	36,659
<i>Funds brought forward 1 September 2008</i>		<u>5,176,476</u>	<u>-</u>	<u>5,176,476</u>	<u>5,139,817</u>
Funds carried forward at 31 August 2009		<u>5,053,935</u>	<u>1,500</u>	<u>5,055,435</u>	<u>5,176,476</u>

All of the activities of the Charitable Company are classed as continuing.

The notes on pages 12 to 20 form part of these financial statements

HOLME GRANGE LIMITED
REGISTERED NUMBER: 900240
BALANCE SHEET
31 AUGUST 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	5	5,115,072	4,969,903
CURRENT ASSETS			
Stocks	6	9,012	6,605
Debtors	7	76,205	65,424
Cash		<u>357,349</u>	<u>523,677</u>
		442,568	595,706
CREDITORS: amounts falling due within one year	8	<u>(354,127)</u>	<u>(365,468)</u>
NET CURRENT ASSETS		<u>88,440</u>	<u>230,238</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,203,512	5,200,141
CREDITORS: amounts falling due after more than one year			
Loans	9	<u>(148,078)</u>	<u>(23,665)</u>
TOTAL NET ASSETS		<u>5,055,435</u>	<u>5,176,476</u>
Unrestricted funds - (including a revaluation reserve of £2,874,089)		5,053,935	5,176,476
Restricted funds		<u>1,500</u>	<u>-</u>
TOTAL FUNDS	11	<u>5,055,435</u>	<u>5,176,476</u>

Approved and authorised by the Board on
and signed on its behalf by:-

.....
T M Andrews
Chairman

T M Andrews 18.11.09

HOLME GRANGE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	2009 £	2008 £
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities	15	(87,391)	217,829
Returns on investments and servicing of finance			
Bank interest paid		(7,969)	(7,423)
Finance lease interest paid		(143)	-
Interest received		<u>8,118</u>	<u>15,890</u>
Net cash outflow from returns on investments and servicing of finance		6	8,467
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(220,903)	(89,635)
Receipts from sale of fixed assets		<u>384</u>	<u>-</u>
Net cash outflow from capital expenditure and financial investment		(220,519)	(89,635)
Financing			
Loan repayments		(54,286)	(40,030)
New loans in year		196,596	-
Capital element of finance lease rental payments		<u>(734)</u>	<u>-</u>
		<u>141,576</u>	<u>(40,030)</u>
(DECREASE)/ INCREASE IN CASH IN THE YEAR	16	<u>£ (166,328)</u>	<u>£ 96,631</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)			
(Decrease)/increase in cash in the year		(166,328)	96,631
Cash inflow from increase in debt and lease financing		<u>(141,576)</u>	<u>40,030</u>
Change in net debt resulting from cash flow		(307,904)	136,661
New finance leases		<u>(9,610)</u>	<u>-</u>
Movement in net debt in the year		(317,514)	136,661
<i>Net Cash and Loans at 1 September 2008</i>		<u>456,077</u>	<u>319,416</u>
Net Cash and Loans at 31 August 2009	16	<u>£138,563</u>	<u>£456,077</u>

The notes on pages 12 to 20 form part of these financial statements

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared under the Companies Act 2006 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	- 10% - 33% per annum
Assets under £1,000 are not capitalised	

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

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 2009.

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.

j) Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

2. a FEES RECEIVABLE

	2009 £	2008 £
Fees Nursery	118,255	136,639
Fee Pre-prep	628,481	681,838
Fees Prep	1,511,194	1,542,287
Schools After Care	18,637	16,506
Learning support fees	45,677	54,635
Music tuition	<u>48,440</u>	<u>52,800</u>
Gross Fees receivable	<u>2,370,685</u>	<u>2,484,705</u>
Bursaries and discounts	<u>(147,527)</u>	<u>(127,690)</u>
Net Fees receivable	<u>2,223,157</u>	<u>2,357,015</u>

2. b OTHER INCOME

	2009 £	2008 £
Registration fees	3,750	3,000
Sundry income	<u>187,632</u>	<u>88,242</u>
	<u>191,382</u>	<u>91,242</u>

3. STAFF COSTS

	2009 £	2008 £
Wages and salaries	1,542,460	1,514,159
Social security costs	110,310	111,767
Pension contributions	<u>159,751</u>	<u>146,860</u>
	<u>1,812,521</u>	<u>1,772,786</u>

The average number of employees in the year was:-

	No.	No.
Teaching - full time	31	28
- part time	18	23
Domestic	11	10
Administration	<u>5</u>	<u>4</u>
	<u>65</u>	<u>65</u>

The number of employees whose remuneration exceeded £60,000 was:-

	No.	No.
Between £130,001 - £140,000	<u>-</u>	<u>1</u>

The Directors received no remuneration during the year (2008: £Nil). The Directors were reimbursed expenses of £2,289 during the year (2008: £2,998). This was split between 4 (2008: 3) directors.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

4. a EXPENDITURE – Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	Total £	2008 £
Charitable activities:					
Teaching costs	1,516,803	178,289	32,252	1,727,344	1,625,401
Welfare costs	93,993	53,704	1,366	149,063	135,552
Premises costs	76,203	374,988	47,866	499,057	497,804
Support costs for schooling	<u>125,522</u>	<u>46,254</u>	<u>-</u>	<u>171,776</u>	<u>193,136</u>
	1,812,521	653,235	81,484	2,547,240	2,451,893
Governance costs	<u>-</u>	<u>14,990</u>	<u>-</u>	<u>14,990</u>	<u>15,071</u>
	1,812,521	668,225	81,484	2,562,230	2,466,964
Cost of generating funds:					
Fund raising costs	-	1,790	-	1,790	107
Finance costs	<u>-</u>	<u>10,928</u>	<u>-</u>	<u>10,928</u>	<u>6,273</u>
TOTAL RESOURCES EXPENDED	<u>1,812,521</u>	<u>680,943</u>	<u>81,484</u>	<u>2,574,948</u>	<u>2,473,344</u>

4. b EXPENDITURE – Other disclosures

		2009 £	2008 £
Governance costs include:			
Auditors' remuneration	: for audit	10,580	10,458
	: for other services	2,121	1,615
Depreciation on tangible fixed assets	: owned assets	81,046	51,780
	: held under finance lease	<u>438</u>	<u>-</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

5. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
1 September 2008	4,745,000	363,140	103,744	23,350	5,235,234
Additions	42,118	15,495	151,882	21,018	230,513
Disposals	-	(7,343)	-	-	(7,343)
31 August 2009	<u>4,787,118</u>	<u>371,292</u>	<u>255,626</u>	<u>44,368</u>	<u>5,458,404</u>
Cost	42,118	371,292	255,626	44,368	713,404
Valuation	<u>4,745,000</u>	-	-	-	<u>4,745,000</u>
	<u>4,787,118</u>	<u>371,292</u>	<u>255,626</u>	<u>44,368</u>	<u>5,458,404</u>
Depreciation					
1 September 2008	-	204,898	39,044	21,389	265,331
Charge for the year	31,645	16,221	32,252	1,366	81,484
Disposals	-	(3,483)	-	-	(3,483)
Revaluation	-	-	-	-	-
31 August 2009	<u>31,645</u>	<u>217,636</u>	<u>71,296</u>	<u>22,755</u>	<u>343,332</u>
Net book values					
31 August 2009	<u>4,755,473</u>	<u>153,656</u>	<u>184,330</u>	<u>21,613</u>	<u>5,115,072</u>
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>

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.

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

	2009 £	2008 £
Cost	1,943,660	1,901,542
Aggregate depreciation	<u>(326,878)</u>	<u>(317,655)</u>
Net book value	<u>1,616,782</u>	<u>1,583,887</u>

All assets are used for direct charitable purposes.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:-

	2009 £	2008 £
Motor vehicles	<u>10,071</u>	<u>-</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

6. STOCKS

	2009 £	2008 £
Oil	3,505	1,964
Stationery	207	92
Provisions and goods for re-sale	<u>5,300</u>	<u>4,549</u>
	<u><u>9,012</u></u>	<u><u>6,605</u></u>

7. DEBTORS

	2009 £	2008 £
Fees and disbursements	25,660	33,270
Other debtors	-	1,154
Prepayments	<u>50,545</u>	<u>31,000</u>
	<u><u>76,205</u></u>	<u><u>65,424</u></u>

8. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	23,665	43,935
Other loans	43,987	-
Net obligations under finance leases and hire purchase contracts	3,056	-
Trade creditors	86,164	126,543
Other taxes and social security	37,738	45,552
Other creditors	93,521	75,134
Accruals and deferred income	<u>65,996</u>	<u>74,304</u>
	<u><u>354,127</u></u>	<u><u>365,468</u></u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

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

	2009 £	2008 £
Bank loans	-	23,665
Net obligations under finance leases and hire purchase contracts	5,820	-
Other loans	<u>142,258</u>	<u>-</u>
	<u>148,078</u>	<u>23,665</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:-

	2009 £	2008 £
Between one and five years	<u>5,820</u>	<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.

The other loan is secured on the assets to which it relates and is repayable under 5 years.

Hire purchase contracts are secured on the assets to which they relate.

10. RESTRICTED FUNDS

The restricted funds as at 31 August 2008 totalled £Nil. There were incoming restricted funds during the year amounting to £28,899. Expenditure of £27,399 was spent out of restricted funds on their relevant purpose during the year, leaving £1,500 restricted funds as at 31 August 2009. The closing balance on the restricted funds at 31 August 2009 relates to the reception area.

11. FUNDS

	Other funds (including revaluation reserve) £	Restricted funds £	Total £
As at 31 August 2008	5,176,476	-	5,176,476
Incoming resources	2,425,008	28,899	2,453,907
Resources expended	(2,559,748)	(15,200)	(2,574,948)
Surplus on revaluation of land and buildings	-	-	-
Transfers between reserves	<u>12,199</u>	<u>(12,199)</u>	<u>-</u>
As at 31 August 2009	<u>£ 5,053,935</u>	<u>£ 1,500</u>	<u>£ 5,055,435</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 31 August 2009 £	Restricted funds 31 August 2009 £	Total funds 31 August 2009 £
Tangible fixed assets	5,115,072	-	5,115,072
Current assets	441,068	1,500	442,568
Current liabilities	(354,127)	-	(354,127)
Creditors – amounts falling due after more than one year	<u>(148,078)</u>	<u>-</u>	<u>(148,078)</u>
	<u>£5,053,935</u>	<u>£ 1,500</u>	<u>£5,055,435</u>

13. OTHER FINANCIAL COMMITMENTS

The following annual commitments existed at 31 August 2009 in respect of non-cancellable operating leases expiring:-

	Land and buildings		Other operating leases	
	2009	2008	2009	2008
	£	£	£	£
Between one and five years	<u>£ -</u>	<u>£ -</u>	<u>£ 2,820</u>	<u>£ 2,820</u>

14. COMMITMENTS

The school had a contracted capital commitment of £22,573 (2008: £Nil).

15. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating (deficit)/surplus	(121,041)	5,857
Interest receivable	(8,118)	(15,890)
Interest payable	8,112	7,423
(Profit)/loss on disposal of fixed assets	3,476	164
Depreciation	81,484	51,780
(Increase)/decrease in stocks	(2,407)	13,326
(Increase)/decrease in debtors	(10,783)	67,859
(Decrease)/increase in creditors	<u>(38,114)</u>	<u>87,310</u>
Net cash (outflow)/inflow from operating activities	<u>(87,391)</u>	<u>217,829</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

16. ANALYSIS OF NET CASH AND LOAN MOVEMENTS

	At 1 September 2008 £	Cash Flow £	Other non cash movements £	At 31 August 2009 £
Cash at bank	523,677	(166,328)	-	357,349
Debt due within one year	(43,935)	(23,717)	-	(67,652)
Debt due after one year	(23,665)	(118,593)	-	(142,258)
Finance leases	-	734	(9,610)	(8,876)
Net cash and loan movements	£ 456,077	£ (307,904)	£ (9,610)	£ 138,563

17. 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 valuation of the scheme by the Government Actuary as at 31 March 2008 is expected to be issued early in 2010.

The pension charge for the year includes contributions payable to the scheme of £146,926 (2008: £134,947).

18. RELATED PARTY TRANSACTIONS

Mr H M S Bowyer, a Director, invoiced the School £1,700 (2008: Nil) during the year for work towards the swimming pool. At the year end there was a balance of £Nil (2008: £Nil) owing to Mr H M S Bowyer.

Mr A J Finch is a Director of Fiesta Marquee & Catering Hire Ltd. During the year the Company invoiced the School £238 (2008: £Nil) and at the year end there was a creditor balance of £Nil (2008: £Nil).