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COMPANY NO: 900240
CHARITY NUMBER: 309105

HOLME GRANGE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010

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HOLME GRANGE LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2010

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HOLME GRANGE LIMITED **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 AUGUST 2010**

The Board of Directors present their Annual Report for the year ended 31 August 2010 under the Companies Act 2006 and the Charities Act 1993, together with the audited financial statements for the year. The Board confirms 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 D G Eyrey – Vice Chairman	*	=
Mr G W P Barber	^	
Mr H M S Bowyer	*	
Mr P R Brooks	^	
Mr A J Finch	+	=
Mr J M Hill (Resigned 16 th June 2010)	*	
Mr D A Pedley (Appointed 18 th November 2009)		*
Mrs L E Raabe-Marjot	^	
Mr A J Ross	+	

- * Member of the Finance and Administration 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	Crowe 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 2010

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. During the year restructuring of the Board's management, to make better use of individuals' expertise so that the Board's policies could be carried out more efficiently and speedily, was undertaken. This is reflected in the following paragraphs describing committees and functions.

The General Purposes Committee, chaired by Mr J M Hill, has been replaced by the Finance and Administrations Committee (FAC), the work and responsibilities of which better reflect the majority of work originally undertaken by the General Purposes Committee. The FAC meets in such a way to review the financial and business administration aspects of the School in good time to make recommendations for the main Board to consider at their main termly meeting.

The Buildings and Grounds Committee, formerly chaired by Mr A J Ross, no longer meets formally but its responsibilities devolve upon designated Governors led by Mr A J Finch. Their responsibility is to report directly to the FAC about matters concerning the buildings and grounds with financial implications and to other relevant members of the Board regarding developments of concern which have been alerted by the Head and Bursar. Mr Finch, as co-ordinating Governor, will call upon the expertise of the two other Governors indicated in the list of Directors, either as individuals or a committee, to take executive decisions, having conferred informally with members of the FAC or other Governors as appropriate.

The Marketing Committee, chaired by Mr A J Finch, meets as required 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 Head teacher in promoting good relationships with parents and the community, and liaises with the Finance and Administrations 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 2010

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 Finance and Administrations, and Buildings and Grounds 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 the nominated individual with responsibility for the School's Health and Safety functions but 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 2010.

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 2010 with 231 pupils on the School roll, made up of 132 boys and 99 girls.**

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2010

Grant-making

In agreeing and setting objectives the Holme Grange School Directors, as charity trustees, have continued to comply 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 FAC. As in previous years an appropriate amount has been set aside 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 by the selection and retention of high quality teaching staff.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

An operating surplus of £14,697 was made this year in a continuing and very difficult economic climate. With the generally held view that growth in the UK economy will continue to be slow for the next year or so, our forecast for 2010/11 indicates that a further small but manageable loss will be incurred in the current year, but the Board remains optimistic about the medium term outlook.

At the Balance Sheet date corporate free reserves stood at £158,569. 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 £800,000, 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.

Notable Achievements

- 1 Capital development within the plan has resulted in improvements to the Sports Hall, the expansion of performing arts areas within the School, refurbishment of the Music School and improved parking on the School site. The establishment of Reception classes in their own dedicated premises with an outdoor learning area has been successful, and the "Forest School" facility for the youngest pupils has been a significant extension of the curriculum in the youngest years.
- 2 Smaller Capital projects of significance to enhance the facilities included –
 - 1 Clearance work of the waste land beyond the stream that has been carried out to provide a site for a large pond and wild plant area to be used in Science studies. The project costs were also supported by fundraising from the PAA.
 - 2 An outdoor play trail, amphitheatre and story-teller's chair were installed close to the buildings to enhance the teaching facilities and extend the outdoor play areas for supervised break times.
 - 3 The curriculum was extended to provide Home Economics from Year 2 upwards and a classroom was successfully converted to provide four cookery work stations for pupils, together with sewing facilities.
 - 4 The Library was relocated to an underutilised single storey classroom block adjacent to the playground. This new location is readily accessible by all pupils and enhances the learning provision with its bright environment.

**HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2010**

Notable achievements (continued)

- 5 The vacated library room was turned into a Performing Arts Studio for the addition of Drama in the curriculum and a rehearsal base for the drama productions performed annually by pupils. The PAA shared the cost of the project to provide blackout curtains, portable stage lighting and an extensive portable dance floor for ballet and jazz.
- 3 Development of the school's administration and communication with parents (both existing and prospective) have continued successfully but are subject to an on-going review by management in conjunction with Governors to optimise all resources available.
- 4 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 FAC.

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.

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:

The Improvement Objectives

To become a leading independent day school regionally by developing the unique characteristics of the pupils we serve:

- 1 To become a centre of excellence in personalised learning, catering for all pupils and preparing pupils to become lifelong learners. To raise the academic standards thus increasing the 'value added' by promoting quality and high expectations among all pupils and staff, and by extending provision for SEN, both slower learners and gifted and talented.
- 2 Maintenance and development of excellence and opportunity in Sport, Music and the Arts.
- 3 Further development of an international dimension to become a centre of excellence in preparing pupils for global citizenship.
- 4 To further develop leadership, confidence and service through teaching the value of leading self-development both at home and in the community.
- 5 To review the curriculum ensuring that we continue to meet the needs of all pupils.
- 6 To improve the assessment, recording and reporting systems in the school.
- 7 To further develop the school's pastoral care system and to promote peer mentoring.

Development Objectives

- 1 Further develop a system for school self-evaluation to ensure continuous school improvement.
- 2 Develop effective communication strategy.
- 3 To continue to develop staff structure to distribute middle management responsibilities effectively and to develop effective continuing professional development (CPD) support for staff.
- 4 Consideration of expansion of facilities for the Early Years department, further developing appropriate indoor and outdoor learning and rest facilities.
- 5 Extension of the school's provision for 'care' outside term time for pupils from 3 to 13, including those who do not attend Holme Grange on a regular basis.

**HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2010**

Development Objectives (continued)

- 6 To improve the accommodation and facilities for pupils and teachers To identify and invest in the less well equipped departments, continuing to provide a more stimulating outdoor learning environment in class and provide a more stimulating environment as well as within the classroom
- 7 Continue developing the school's marketing and PR
- 8 To review provision of the school's transport service
9. Ensure we meet our charitable objectives by widening appropriate community access to Holme Grange facilities and services

PROVISION OF INFORMATION TO AUDITORS

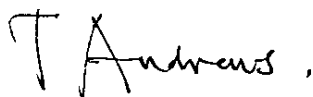
Each of the persons who are Directors at the time when this Report of Directors is approved has confirmed that

- 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 Crowe 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 24 November 2010
and signed on its behalf by



T M Andrews
Chairman

HOLME GRANGE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2010

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,
- 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 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 AUDITOR'S REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED

We have audited the financial statements of Holme Grange Limited for the year ended 31 August 2010, set out on pages 10 to 21. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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) and for being satisfied that the financial statements give a true and fair view 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 charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of Directors' remuneration specified by law are not made.

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 AUDITOR'S 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 trustees 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 2010 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 Crowe Clark Whitehill LLP
Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date 24 November 2010

HOLME GRANGE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2010

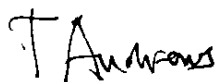
	Notes	Unrestricted Funds £	Restricted Funds £	Total 2010 £	2009 £
INCOMING RESOURCES					
Income from charitable activities:					
School fees receivable	2a	2,253,548	-	2,253,548	2,290,961
Other income	2b	184,514	-	184,514	123,578
Income from generated funds:					
Donations		-	23,206	23,206	28,899
Rent and other income		5,627	-	5,627	2,351
Investment income		<u>364</u>	<u>-</u>	<u>364</u>	<u>8,118</u>
Total incoming resources		<u>2,444,053</u>	<u>23,206</u>	<u>2,467,259</u>	<u>2,453,907</u>
RESOURCES EXPENDED					
Charitable activities:					
School operating costs		2,371,886	22,029	2,393,915	2,547,240
Governance costs		15,733	-	15,733	14,990
Cost of generating funds:					
Fund raising cost		4,544	-	4,544	1,790
Financing costs		<u>38,370</u>	<u>-</u>	<u>38,370</u>	<u>10,928</u>
Total resources expended	4a	<u>2,430,533</u>	<u>22,029</u>	<u>2,452,562</u>	<u>2,574,948</u>
NET INCOMING/(OUTGOING) RESOURCES		13,520	1,177	14,697	(121,041)
<i>Funds brought forward 1 September 2009</i>		<u>5,053,935</u>	<u>1,500</u>	<u>5,055,435</u>	<u>5,176,476</u>
Funds carried forward at 31 August 2010		<u>5,067,455</u>	<u>2,677</u>	<u>5,070,132</u>	<u>5,055,435</u>

The notes on pages 13 to 21 form part of these financial statements

HOLME GRANGE LIMITED
REGISTERED NUMBER: 900240
BALANCE SHEET
31 AUGUST 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	5	5,053,565	5,115,072
CURRENT ASSETS			
Stocks		9,326	9,014
Debtors	6	44,830	76,205
Cash		<u>392,657</u>	<u>357,349</u>
		446,813	442,568
CREDITORS: amounts falling due within one year	7	<u>(333,684)</u>	<u>(354,127)</u>
NET CURRENT ASSETS		<u>113,129</u>	<u>88,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,166,694	5,203,513
CREDITORS: amounts falling due after more than one year			
Loans	8	<u>(96,562)</u>	<u>(148,078)</u>
TOTAL NET ASSETS		<u>5,070,132</u>	<u>5,055,435</u>
Unrestricted funds - (including a revaluation reserve of £2,874,089 (2009 £2,874,089))		5,067,455	5,053,935
Restricted funds	9	<u>2,677</u>	<u>1,500</u>
TOTAL FUNDS	10	<u>5,070,132</u>	<u>5,055,435</u>

Approved and authorised by the Board on 24 November 2010
and signed on its behalf by -



T M Andrews
Chairman

HOLME GRANGE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	2010 £	2009 £
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities	13	161,062	(87,391)
Returns on investments and servicing of finance			
Bank interest paid		(14,091)	(7,969)
Finance lease interest paid		(449)	(143)
Interest received		<u>364</u>	<u>8,118</u>
Net cash outflow from returns on investments and servicing of finance		(14,176)	6
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(46,974)	(220,903)
Receipts from sale of fixed assets		<u>6,251</u>	<u>384</u>
Net cash outflow from capital expenditure and financial investment		(40,723)	(220,519)
Financing			
Loan repayments		(67,799)	(54,286)
New loans in year		-	196,596
Capital element of finance lease rental payments		<u>(3,056)</u>	<u>(734)</u>
		<u>(70,855)</u>	<u>141,576</u>
INCREASE/(DECREASE) IN CASH IN THE YEAR	14	<u>£ 35,308</u>	<u>£ (166,328)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(Decrease) in cash in the year		35,308	(166,328)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>70,855</u>	<u>(141,576)</u>
Change in net debt resulting from cash flow		106,163	(307,904)
New finance leases		<u>-</u>	<u>(9,610)</u>
Movement in net debt in the year		106,163	(317,514)
<i>Net funds at 1 September 2009</i>		<u>138,563</u>	<u>456,077</u>
Net funds at 31 August 2010	14	<u>£ 244,726</u>	<u>£138,563</u>

The notes on pages 13 to 21 form part of these financial statements

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010

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 Statement Of Financial Activities 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 (straight line)
Fixtures, fittings and equipment	- 10% per annum (straight line)
Motor vehicles	- 25% per annum (straight line)
Computer equipment	- 10% - 33% per annum (straight line)

Assets under £1,000 are not capitalised.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010

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 2010.

h) Stocks

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

i) Expenditure

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

j) 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 contribution group personal pension scheme for non-teaching staff.

k) Operating leases

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

l) 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 2010

2a. FEES RECEIVABLE

	2010 £	2009 £
Fees Nursery	153,335	157,525
Fee Pre-prep	656,200	657,015
Fees Prep	1,477,467	1,511,194
Schools After Care	15,514	18,637
Learning support fees	23,022	45,677
Music tuition	<u>44,942</u>	<u>48,440</u>
Gross Fees receivable	<u>2,370,480</u>	<u>2,438,488</u>
Bursaries and discounts	<u>(116,932)</u>	<u>(147,527)</u>
Net Fees receivable	<u>2,253,548</u>	<u>2,290,961</u>

2b. OTHER INCOME

Registration fees	10,050	3,750
Sundry income	<u>174,464</u>	<u>119,828</u>
	<u>184,514</u>	<u>123,578</u>

3. STAFF COSTS

Wages and salaries	1,433,721	1,542,460
Social security costs	106,187	110,310
Pension contributions	<u>149,084</u>	<u>159,751</u>
	<u>1,688,992</u>	<u>1,812,521</u>

The average number of employees in the year was -

	No.	No
Teaching - full time	29	31
- part time	13	18
Domestic	11	11
Administration	<u>5</u>	<u>5</u>
	<u>58</u>	<u>65</u>

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

	No	No
Between £60,001 - £70,000	1	-
Between £130,001 - £140,000	<u>-</u>	<u>1</u>

The Governors received no remuneration during the year (2009: £Nil) During the year 3 (2009 4) Governors were reimbursed travelling expenses totalling £3,027 (2009 £2,289)

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

4a. EXPENDITURE – Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	Total £	2009 £
Charitable activities:					
Teaching costs	1,412,499	210,039	31,565	1,654,103	<i>1,727,344</i>
Welfare costs	71,425	52,041	5,403	128,869	<i>149,063</i>
Premises costs	61,980	315,511	67,152	444,643	<i>499,057</i>
Support costs for schooling	<u>143,088</u>	<u>23,212</u>	<u>-</u>	<u>166,300</u>	<u><i>171,776</i></u>
	1,688,992	600,803	104,120	2,393,915	<i>2,547,240</i>
Governance costs	<u>-</u>	<u>15,733</u>	<u>-</u>	<u>15,733</u>	<u><i>14,990</i></u>
	1,688,992	616,536	104,120	2,409,648	<i>2,562,230</i>
Cost of generating funds:					
Fund raising costs	-	4,544	-	4,544	<i>1,790</i>
Finance costs	<u>-</u>	<u>38,370</u>	<u>-</u>	<u>38,370</u>	<u><i>10,928</i></u>
TOTAL RESOURCES EXPENDED	<u>1,688,992</u>	<u>659,450</u>	<u>104,120</u>	<u>2,452,562</u>	<u><i>2,574,948</i></u>

4b. NET INCOMING RESOURCES

		2010 £	2009 £
These are stated after charging			
Auditors' remuneration	for audit	10,896	<i>10,580</i>
	for other services	1,809	<i>2,121</i>
Depreciation on tangible fixed assets	owned assets	101,602	<i>81,046</i>
	held under finance lease	<u>2,518</u>	<u><i>438</i></u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

5. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
1 September 2009	4,787,118	371,292	255,626	44,368	5,458,404
Additions	26,261	8,500	12,211	-	46,972
Disposals	-	-	(6,250)	-	(6,250)
31 August 2010	<u>4,813,379</u>	<u>379,792</u>	<u>261,587</u>	<u>44,368</u>	<u>5,499,126</u>
Depreciation					
1 September 2009	31,645	217,636	71,296	22,755	343,332
Charge for the year	31,645	15,365	51,706	5,404	104,120
Disposals	-	-	(1,891)	-	(1,891)
31 August 2010	<u>63,290</u>	<u>233,001</u>	<u>121,111</u>	<u>28,159</u>	<u>445,561</u>
Net book values					
31 August 2010	<u>4,750,089</u>	<u>146,791</u>	<u>140,476</u>	<u>16,209</u>	<u>5,053,565</u>
<i>31 August 2009</i>	<i><u>4,755,473</u></i>	<i><u>153,656</u></i>	<i><u>184,330</u></i>	<i><u>21,613</u></i>	<i><u>5,115,072</u></i>

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 -

	2010 £	2009 £
Cost	1,969,921	1,943,660
Aggregate depreciation	<u>(336,101)</u>	<u>(326,878)</u>
Net book value	<u><u>1,633,820</u></u>	<u><u>1,616,782</u></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 -

	2010 £	2009 £
Motor vehicles	<u><u>7,553</u></u>	<u><u>10,071</u></u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

6. DEBTORS

	2010 £	2009 £
Fees and disbursements	17,921	25,660
Prepayments	<u>26,909</u>	<u>50,545</u>
	<u>44,830</u>	<u>76,205</u>

7. CREDITORS: Amounts falling due within one year

Bank loans and overdrafts	-	23,665
Other loans	48,117	43,987
Net obligations under finance leases and hire purchase contracts	3,252	3,056
Trade creditors	87,156	86,164
Other taxes and social security	34,617	37,738
Other creditors	97,803	93,521
Accruals and deferred income	<u>62,739</u>	<u>65,996</u>
	<u>333,684</u>	<u>354,127</u>

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

Net obligations under finance leases and hire purchase contracts	2,568	5,820
Other loan	<u>93,994</u>	<u>142,258</u>
	<u>96,562</u>	<u>148,078</u>

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

Between one and five years	<u>2,568</u>	<u>5,820</u>
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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

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

9. RESTRICTED FUNDS

The restricted funds as at 31 August 2009 totalled £1,500 which related to the reception area. This has been spent on its relevant purpose during the year. There were incoming restricted funds from Parents' Amenities Association during the year amounting to £23,206. Expenditure of £22,029 was spent out of restricted funds on their relevant purpose during the year, leaving £2,677 restricted funds as at 31 August 2010. The closing balance on the restricted funds at 31 August 2010 relates to ground clearance to provide Nature Study area to include a pond for science project work.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 31 August 2010 £	Restricted funds 31 August 2010 £	Total funds 31 August 2010 £
Tangible fixed assets	5,053,565	-	5,053,565
Current assets	444,136	2,677	446,813
Current liabilities	(333,684)	-	(333,684)
Creditors – amounts falling due after more than one year	<u>(96,562)</u>	<u>-</u>	<u>(96,562)</u>
	<u>£ 5,067,455</u>	<u>£ 2,677</u>	<u>£5,070,132</u>

11. OTHER FINANCIAL COMMITMENTS

At 31 August, the following annual commitments existed in respect of non-cancellable operating leases expiring -

	Other operating leases 2010 £	2009 £
Within one year	2,829	-
Between one and five years	<u>£ -</u>	<u>£ 2,820</u>

12. COMMITMENTS

The school had a contracted capital commitment of £Nil (2009 £22,573)

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

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

	2010 £	2009 £
Net incoming/(outgoing) resources	14,697	(121,041)
Interest receivable	(364)	(8,118)
Interest payable	14,540	8,112
(Profit)/loss on disposal of fixed assets	(1,891)	3,476
Depreciation	104,120	81,484
(Increase)/decrease in stocks	(311)	(2,407)
Decrease/(Increase) in debtors	31,375	(10,783)
(Decrease)/increase in creditors	<u>(1,104)</u>	<u>(38,114)</u>
Net cash inflow/(outflow) from operating activities	<u>161,062</u>	<u>(87,391)</u>

14. ANALYSIS OF NET CASH AND LOAN MOVEMENTS

	At 1 September 2009 £	Cash Flow £	Other non cash movements £	At 31 August 2010 £
Cash at bank	357,349	35,308	-	392,657
Debt due within one year	(67,652)	19,535	-	(48,117)
Debt due after one year	(142,258)	48,264	-	(93,994)
Finance leases	<u>(8,876)</u>	<u>3,056</u>	<u>-</u>	<u>(5,820)</u>
Net funds	<u>£ 138,563</u>	<u>£ 106,163</u>	<u>£ -</u>	<u>£ 244,726</u>

15. 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 published in November 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 next valuation of the Scheme by the Government Actuary due to be prepared as at 31 March 2008 has not yet been published.

The pension charge for the year includes contributions payable to the scheme of £ 135,492 (2009 £146,926).

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

16. RELATED PARTY TRANSACTIONS

Mr H M S Bowyer, a Director, invoiced the School £Nil (2009 £1,700) during the year for work towards the swimming pool. At the year end there was a balance of £ Nil (2009 £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 £289 (2009 £238) and at the year end there was a creditor balance of £Nil (2009 £Nil).