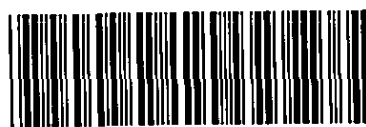


ELTHAM COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

FRIDAY



L4GQ5B1C

LD5

26/06/2009

269

COMPANIES HOUSE

ELTHAM COLLEGE**Directors' Report****For The Year Ended 31 August 2008**

The Directors present their report and the audited financial statements for the year ended 31 August 2008 in accordance with the Companies Act 1985, the Charities Act 1993 and the Company's Memorandum and Articles of Association.

Reference and Administrative Information

Eltham College is a registered charity, number 1058438 and is also a company limited by guarantee, registered company number 3245525.

Trustees and officers

The Governing Body, in whom the governance of the School is vested and which forms the Board of Directors and the Trustee body, was as follows during the year:-

| NAME | COMMITTEES | | |
|--------------------------------|----------------------|---|-----|
| | F&GP | J | S&P |
| N P Betts | | | ◊ |
| Rev R Blyth | | | |
| B C Carey | ◊ | | |
| S R Charlick | ♦ | | |
| Mrs P Corp | | | ◊ |
| Mrs A Edwards | | | ◊ |
| F D James | ◊ | | |
| D L Mahoney | | | |
| Dr B Morgan | | | ◊ |
| Mrs R A Morgan | | ♦ | |
| R B Morgan | ◊ | | ◊ |
| C P Muttukumar (Vice Chairman) | ◊ | ◊ | ◊ |
| W Oram | Appointed 04.12.2007 | | |
| C Parry | Resigned 19.06.2008 | ◊ | ◊ |
| C Ring | | | |
| A Robb | Appointed 23.09.2008 | | |
| D A Robins (Chairman) | ◊ | ◊ | ♦ |
| S R Smith | | | ◊ |
| Rev T Sparks | Appointed 26/09/2007 | ◊ | |
| Mrs I Wort | | ◊ | |

Committees

F&GP – Finance and General Purposes, J - Junior School, S&P – Strategy and Planning

♦ Denotes Chair of the committee

◊ Denotes Member of the committee

Messrs Morgan and Muttukumar and Mrs R A Morgan retire by rotation and, being eligible, offer themselves for re-election. No director had an interest in any contract or arrangement of a material nature during the period under review except as disclosed in note 19 to these financial statements.

ELTHAM COLLEGE**Directors' Report**

Professional advisers and key personnel

| | |
|-------------|--|
| Headmaster: | P J Henderson BA FRSA |
| Bursar: | D Cooper ACCA |
| Address: | Eltham College Grove Park Road Mottingham London, SE9 4QF |
| Bankers: | Barclays Bank Plc 41 Woolwich New Road London, SE18 6NU |
| Auditors: | Wilkins Kennedy Bridge House London Bridge London, SE1 9QR |
| Solicitors: | Bircham Dyson Bell 50 Broadway Westminster London, SW1H 0BL |

Structure, Governance and Management**Governing Document**

Eltham College was founded in 1842 as the School for the Sons of Missionaries, and incorporated in 1996. The School is a charity and is registered with the Charity Commission under Charity Number 1058438. The Charity is governed by the Memorandum and Articles of Association of Eltham College (Incorporated, registered company number 3245525), thereafter known as "The Trustee", dating from incorporation on 29th August 1996, last amended in 2005, and by Articles of Government made by the Trustee in exercise of the power conferred on them by the scheme regulating the School.

Governing Body

The Trustee is the Governing Body. All members of the Governing Body are trustees of the Charity and act as Directors of the Company. The Governing Body consists of a maximum of twelve elected Trust governors, two parent nominated Governors and one Governor nominated by each of the following bodies:

- Baptist Missionary Society
- Council for World Mission
- United Reformed Church
- London Borough of Bromley
- London Borough of Bexley
- The Eltham College Staff

Recruitment and Training of Governors

All Trust Governors are appointed at a Board Meeting on the basis of nominations from the Strategy & Planning Committee, which has as one of its Terms of Reference, the responsibility to act as Nominations Committee. This Committee reviews personal competence, specialist skills and availability before nominating for appointment. Trust Governors retire by rotation at the Annual General Meeting of the Company and are subject to re-election. All new Governing Body members are inducted into the workings of the Charity and Company by the issue of appropriate documents through "The Governor's Manual", a personal briefing from the Chairman of Governors, the Headmaster, and the Bursar, and placement on Governance Seminars if required. Governors are expected to attend refresher courses once every two years as a minimum requirement. The Governing Body has a written policy on the Recruitment, Induction and Training of Governors.

ELTHAM COLLEGE**Directors' Report**

Organisational Management

The Directors determine the general policy of the School in accordance with a scheme promulgated by the Charity Commissioners. The day-to-day management of the School is delegated to the Headmaster and the Bursar.

Risk Management

The Board has examined the principal areas of the School's operations and considered the risks faced in each of these areas.

In the opinion of the Governors, the College has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Objectives and Activities**Charitable Objects and Principal Activities**

The College is established to advance the education of children and young people by (without prejudice to the generality of the foregoing) the provision of:

- A preparatory and secondary day school for boys with a preference for the sons of Protestant Christian Missionaries and with facilities for girls to be admitted to the sixth form and to all or any part of the preparatory and secondary day school.
- A pre-preparatory school for boys and girls between the ages of 3 and seven.

Aims and Intended Impact

The College's aim is to provide an education to boys up to the age of 18 and girls between the ages of 16 and 18 within a Christian environment; we are committed to scholarship and excellence within and beyond the classroom, and it is intended that high expectations leading to achievement will contribute to the overall development of the child. We promote the concepts of respect, service and care for others, supported by a strong sense of moral and spiritual values, and we hope that this will encourage all pupils to grow into mature, enquiring, well-rounded and sensitive human beings able to relate to others and the environment.

Objectives for the Year

Objectives are set to reflect our educational aims and the ethos of the school. It is important that we maintain and enhance the academic success of the school, set within a broader set of goals we set for the College and its pupils.

In setting our objectives and planning our activities, our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Key objectives for the YEAR - 2008/9

- To ensure that all members of the Eltham College community (pupils, parents, staff, Old Elthamians, and Governors) feel a sense of belonging, achievement and joy associated with the school.
- To maintain the support and pastoral care of pupils through the Tutors and Heads of Year/Section.
- To continue to increase the level of academic success at both A level and GCSE, and consequently to enable all pupils to progress to higher education or employment at the appropriate level.
- To ensure that the quality and expertise of staff is maintained.
- To promote the positive image of the school within the wider community.
- To continue to promote links within the local community.
- To continue to develop the physical assets of the school.

ELTHAM COLLEGE**Directors' Report**

Strategies to Achieve the Year's Objectives

- Support the Development Director in the Development Office in carrying forward short term, medium-term, and long-term strategies for both friend-raising and then fund-raising.
- Support the Pastoral Committee as it oversees whole school policies and guides the tutors and Heads of Section through issues of Child Protection.
- Consider future academic developments and how best to stretch our pupils through the Academic Committee and through the appointment of a member of staff to lead a programme for the Gifted and Talented.
- The appointment of a Director of Studies for a clearer lead to Heads of Department for monitoring pupil progress through the academic route and not just through the Pastoral team.
- Focused advertising and the use of articles in the local and national press to attract high calibre of candidate (both staff and pupils).
- Develop partnerships with local state schools and other groups which can help promote the concept of Eltham College as a "good neighbour".
- Completion of the construction of the extension of King George's Hall (Dining Hall), and promote its use as a facility beyond the immediate school use both for revenue generation and public relations.

The Eltham Ethos:

Eltham College is a charitable Trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the College and at a level that is consistent with our aim of a first class education to boys (7 – 18 years old) and girls (16 – 18 years old).

We welcome pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that we will be able to educate and develop the pupil to the best of their potential and in line with the standards achieved by their peers. Entrance examinations/ assessments and interviews are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, ethnicity, race, religion and in most cases disability do not form part of our assessment processes.

Eltham College is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the last Independent Schools' Inspectorate report, the pastoral care provided by our Form Tutors and Heads of Section and the attention given to the welfare of the pupils was described as "Outstanding", and was seen "as a major strength in both the Junior and Senior Sections of the school". Parents are given regular information about their children's social and academic progress through parents evenings, six-week reports as well as the traditional full reports provided twice a year. We maintain regular contact with parents throughout the year through the Weekly Bulletin, some informal contacts (often by e-mail or text messaging) and through our Newsletter produced four times a year.

We are an equal opportunity organization and are committed to a working environment that is free from any form of discrimination on the grounds of colour race ethnicity, religion, sex sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Bursary and scholarship policies

The Governors view bursary and scholarship awards as important in helping to ensure children from families who would not otherwise be able to afford the fees to access the education we offer. Our College does not have any endowment, and although we have recently established a fund through appeals to former pupils and existing parents to help finance such awards (the Bursary Fund), we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefitting from the awards.

Our bursary awards are available to those who meet our general academic entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. The awards range from 10% to 100% remission of fees. We also have a Travel Club fund that supplements bursary awards to pay for curricular school trips. We also have a discount scheme where staff members choose to educate their children at our College.

Our Scholarships are awarded on the basis of the individual's educational (Academic, Art, Drama) and extra-curricular (Music and Sport) merit or potential, subject to any conditions imposed for particular awards by the original donor (Leverhulme Trust). Scholarships are awarded with a fixed remission of fees of between 20% and 50%, which may be supplemented by a Bursary.

ELTHAM COLLEGE**Directors' Report**

Review of Activities and Achievements**Pupil Numbers and Fees**

The College numbers remain strong, with 200 in the Junior School and 620 in the Senior School. Our fees for the past year, before the deduction of any means-tested bursaries or scholarships, were:

- Junior School - £9,558
- Senior School - £11,088

Academic

The A level results set records for the fifth year running with 91.6% of these grades being A or B (49 students achieved at least 3 A grades), and at GCSE 73.1% A*/A grades (with 28 pupils achieving 10 A*/A).

Extra-curricular activities The school has a particular interest in, and focus on, extra-curricular activities such as music, drama and sport, and is recognized as providing tuition and opportunities in these areas which is excellent by national standards.

Sport: Hockey is emerging as a sport that is both popular and successful as the tour to South Africa at Easter showed with the two sides winning 11 out of 12 fixtures. The cricketers under the new management of Mr Thorogood had a good season with the U12 and U13 XIs becoming Kent Champions, the U15s looked capable of beating most sides, while the 1st XI had their first foray into the world of 20/20 and they were only six runs short of reaching the national semi-finals. In rugby the hopes raised by the previous year's tour took some time to materialize and the young side found it hard to take on sides with more bulk and experience: however, there should be more success to come, with many of the Junior sides beating opposition at both a and b level.

Music and Drama:

Musical activity at the school reached a new high this year with the school's trebles being asked to sing in a number of professional concerts: two performances of Bach's Matthew Passion (Fairfield Halls and the Barbican), a world premiere of Williams' songs of the Corrimandel Coast (Royal Festival Hall), and as a fitting climax to the year Mahler's Eight Symphony with Gergiev and the LSO (St Paul's Cathedral) which was also broadcast live on Radio 3. On a more mundane level there were as usual a tremendous number of Informal and Formal Concerts at school – one of which included the Concert Band playing the theme from Pirates of the Caribbean alongside Faure's Requiem sung by the Choir – and a Choral Society performance of Handel's Samson. The main Summer event in the Marquee was an ECCO Jazz Evening which featured the school jazz groups in the first half of the concert and the Syd Lawrence Orchestra in the second half. The Senior Production was this year the musical "Tommy" by the Who, and then a group of present and past pupils took an adapted version of the musical Kiss of the Spider Woman to the Edinburgh Fringe Festival in August and received much critical acclaim for their work. Sixth Form thespians put on a production of Black Comedy in the Gallery, while the middle school enjoyed creating a dramatic evening out of Monty Python sketches under the title, Parrot Sketch Not Included! The summer term saw two versions of Lord of the Flies by Year 8 and Year 11 pupils.

Trips and Expeditions: Pupils enjoyed considerable opportunities for travel and adventure: the Year 9 and Lower Sixth Exchanges enjoyed their trip to Laval and Provence as well as similar trips to Minden and Nuremberg, and a Spanish language trip to Barcelona as well as cultural trips to Berlin, Brussels, were all successful. The Physics Department led their first trip in recent years to CERN (the European Organisation for Nuclear Research) in Geneva. The Duke of Edinburgh's Award Scheme is thriving with over 100 pupils involved in expeditions to the Brecon Beacons and Loch Lomond; there was a Religious Studies Trip to Iona, Art trip to Paris, skiing in Les Menuires, Geology and Geography trip to Iceland, Netball tour to South Africa and an expedition to the Inca Trail and the Peruvian Andes for pupils, parents and staff.

The year concluded with Speech Day where the Guest of Honour was Commodore Adrian Nance OE, who had been captain of HMS Sheffield in the Falklands, then Commander of HMS Ark Royal before being in charge of the navy in Europe. On the final day the Headmaster's Leavers' Ball was preceded by a Graduation Service in the Chapel attended by pupils, their parents and staff.

ELTHAM COLLEGE**Directors' Report**

Developments

Work on the extension to King George's Hall Dining Hall was completed in May and was (not) opened officially on June 5th by Jim Knight who was called away to vote in the House of Commons: the guests who attended the official event did not seem too put out by his absence! Plans to build a new Art Gallery paid for by an OE are moving forward with a view to construction starting in 2009.

The Development Committee was in the fortunate position to allocate funds (£180,000) to Bursaries and other monies for individual projects around the school after the successful Teleraise campaign amongst former pupils of the school.

The OEA have organized, through the good offices of the School's Development Office, a Winter Reunion (involving a Chapel Service, sports matches in hockey, netball and rugby and formal and informal lunches) three regional gatherings (South-East, South-West, and East Anglia) as well as gatherings for younger OEs at university in Nottingham and Oxford.

Public Benefit

In accordance with its status as a Registered Charity, the Trustees are mindful of its obligations to provide public benefit over and above its normal educational services.

- We audit on an annual basis the public benefit provided by the school.
- We educate 820 children
- As a matter of policy, we provide access to our education to children from families who would not otherwise be able to afford the fees. In this year we provided financial help to 209 pupils in the school as follows:

| | |
|-------|---------------------------------|
| Yr 7 | - 8 bursaries, 11 scholarships |
| Yr 8 | - 7 bursaries, 17 scholarships |
| Yr 9 | - 11 bursaries, 14 scholarships |
| Yr 10 | - 9 bursaries, 20 scholarships |
| Yr 11 | - 5 bursaries, 23 scholarships |
| L6 | - 6 bursaries, 27 scholarships |
| U6 | - 7 bursaries, 35 scholarships |

The school's contribution for this year is £971,082

- Eltham College provides education up to A level in subjects which are seen to be in decline elsewhere in the country, particularly within the maintained sector ie Biology, Chemistry, Physics, Geology, French, German and Spanish. Many students go onto study these subjects at University, thus keeping these departments open for the future development of science and language education at the Higher level.
- The school's Charities Committee raised over £9,000 in the Senior School and over £5000 in the Junior School for charities, ranging from AZAR (building a school in Tanzania) to Cystic Fibrosis Trust, through various activities like discos, cake sales, a fenceathon and the London to Brighton Bike Ride!

Teacher Training, and Community Service, Links and Access

- Eltham College is part of a South London consortium of 11 schools providing School Centred Initial Teacher Training; the partnership between 6 maintained and 5 independent schools trains up to 25 new teachers a year in English, Modern Foreign Languages and Science. Trainees spend half the year in a maintained school and the other half in an independent school, being mentored by senior staff within their particular discipline, and eventually achieve a PGCE awarded by the Open University. Eltham College supervised 2 students during the year.
- The school has a nationally recognized programme of Community Service and every member of the Lower Sixth is involved working within the community. This involves co-operation with Primary and Nursery Schools, Special Schools, care or nursing homes, community or day care centres, charity shops, hospital and a number of individuals in the community.
- Eltham College became the sole independent school in a partnership with 5 state secondary schools in Bromley and Croydon attempting to raise standards. The Antony Barnard Hall was used for a Drama Collaboration on the subject of Slavery for Year 10 pupils from all the partner schools, attended by Baroness Cox. Members of the teaching staff worked on a Middle Managers Leadership programme, and Mathematics, English and Science teachers from Eltham led a GCSE revision sessions at Darrick Wood and Woodcote High Schools during the summer half-term.
- Under the auspices of the Charity Shine, the ISSP partnership has established a Science Club on Saturday mornings for children from local Primary Schools with deprived backgrounds. This Club runs

ELTHAM COLLEGE

Directors' Report

Teacher Training, and Community Service, Links and Access (continued)

for twelve weeks, with teachers from the secondary schools providing 2 one-hour stimulating science lessons. Six teachers and two technicians from Eltham worked in this programme which was based in the Eltham laboratories for six weeks. One of our minibuses was used throughout the course to help transport pupils to and from their areas.

- Over 100 pupils in Year 11 and above take part in the Duke of Edinburgh Award Scheme, which includes as one of its elements Community Service. This involves all pupils providing extra help within the community in activities that range from assisting Scouts, Guides, Cubs and Brownies, to working in Charity Shops and Drop-in Centres for the elderly. All of these are providing benefit to the wider public while at the same time they are learning more about society and the needs of others as part of their education.
- Lower Sixth Students from Eltham acted as Peer Mentors for Year 11 pupils at Darrick Wood and the Knight's Academy in preparation for their GCSE Maths examinations
- In July the school organized and hosted a programme for Year 12 students from local state secondary school, entitled "University Edge". Over 60 students attended the two day programme which focused on aiming higher and applying to Higher Education.
- Eltham College Junior School played host to a number of activities involving pupils from other state and private schools throughout the year: two training days for the Kent Junior Chess association were held at the school which has been awarded Centre of Excellence Status for this sport. On the playing fields the Bromley Primary Schools U10 Soccer was held, and on the all-weather pitch the Bromley primary School Hockey tournament was held.
- In October our pupils, in the U14b rugby team, and their parents hosted a touring rugby side from Rwanda under the charitable auspices of SportAid.
- In March the Junior School organized a China Now! Day to promote a better understanding of Chinese culture and language. This was attended by pupils from local State Primary Schools, representatives from the British Council, the Confucius Institute, and the Deputy Consul from the Chinese Embassy.
- Eltham College is a co-sponsor of the Haberdashers' Aske's Knights Academy: this Sports Academy, based in the Downham Estate, has hired College Meadow, part of Eltham College's playing Fields for their daily use (9am – 6pm, 6 days a week) at a discounted rental; the Academy also have access to some of the facilities in the Eric Liddell Sports Centre.
- Eltham College is the home of the Eric Liddell Sports Centre, a dual use facility funded by the National Lottery and the London Borough of Bromley, cited by Sports England as the model of good practice. Since opening in 1996 the Centre has averaged some 5000 members. Concessionary membership is extended to the unemployed, to single parent families, to families in receipt of income support, to old age pensioners and to all residents referred to the Centre under the Borough's GP Referral scheme.
- The Eric Liddell Sports Centre provided the venue for the Bromley Schools Integrated Swimming Gala (for disabled and able-bodied children combined for twelve different state schools), and supported by the Mayor.
- The school's sports facilities, grounds and minibuses have been made available free of charge to local primary schools, whilst the swimming pool is made available to the local disabled swimming association (The Sharks), some of whose members have achieved international success in competition.
- The sports grounds were made available to Blackheath Rugby Club as a venue for their Minis Section Festival in November when approximately 1000 children from across London took part in a tournament.
- Eltham College is the sponsor of the Christmas Lights within Mottingham, hosts the annual Autumn Flower Show of Mottingham Horticultural Society, and provided guided tours to visitors during this and the London Open House Event. The shared access and car-parking provision with London Marathon Playing Fields enables nearly 100 hundred cars to be parked on the site at weekends rather than on the road during football and rugby fixtures. The College has loaned a minibus for a camping trip and the Chapel for a St George's Day Service to a local Scout Group.

ELTHAM COLLEGE**Directors' Report**

Financial Review

The School's operating surplus of £124,878 as shown in the Statement of Financial Activities was above our targeted percentage of fee income as set out in our long term plans. We consider this to be a highly satisfactory achievement. Note 14 to the accounts shows the assets and liabilities attributable to the various funds by type and also describes the various trusts of the Charity and summarises the year's movements on each fund.

After deducting amounts designated for scholarships, bursaries and the School's premises, the unrestricted reserve fund (the "free reserves") at 31 August 2008 totalled £766,439 (2007: £698,587). The Board's target for free reserves is in line with the generally accepted view in the Independent Schools sector that the ideal level for which to aim equates to a full term's expenditure of approximately £2 million. Our policy is, therefore, to continue building up our free reserves to the ideal level by means of annual operating surpluses and judicious management of our investment assets, supplemented by general-purpose appeals from time to time.

Tangible fixed assets are held for use by the School, but in the present uncertain market, the Governors are unable to estimate whether the current material value of these assets is materially different from that shown in the accounts.

Investment Policy

The trustees' investment powers are governed by the Memorandum and Articles of Association, which permit the Charity's funds to be invested in any security listed on the London Stock Exchange.

Grant-Making Policy

The Governors' policy, in line with that of other independent schools, is to make these awards on the basis of the individual's educational ability, subject to the particular conditions imposed by the donor where the award is out of restricted funds. All scholarships and other awards are subject to annual review.

Directors' Report

Plans for Future Periods

The key objectives within the current plan are:

1. To maintain the present low pupil/teacher ratio of around 8:1, by recruiting enthusiastic and committed professional teachers when necessary; we believe these factors are crucial for the development of both the academic and wider skills of our pupils.
2. To maintain the school roll at a normal level of 600 (Senior School) and 200 (Junior School).
3. To continue to review the academic curriculum and in particular the appropriateness of the public examinations in the Sixth Form.
4. To maintain the current high standards of academic achievement as measured by external public examinations and independent value-added criteria.
5. To balance academic achievement through maintaining a curriculum allowing full scope for the development of cultural, sporting and social as well as academic skills.
6. To provide effective pastoral support through the provision of the form tutor system.
7. To widen access to the school still further through the provision of means-tested bursaries equivalent to 15 full-fee-paying places.
8. To encourage independent learning and responsible communication.
9. To continue to build links with the local primary and secondary schools in both the state and independent sectors.
10. To continue to build and encourage community access to the school's facilities.

ELTHAM COLLEGE**Directors' Report**

Statement of Directors' Responsibilities

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

Company and charity law requires the directors to prepare financial statements for each financial year. Under those laws 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). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

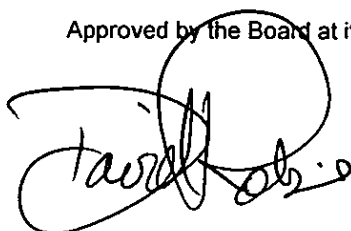
Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of Wilkins Kennedy as auditors to the charitable company will be submitted to the Annual General Meeting.

Approved by the Board at its meeting on **24.03.2009** and signed on its behalf by:



D A ROBINS

.....
CHAIRMAN

ELTHAM COLLEGE**Independent Auditors' Report To The Members**

We have audited the financial statements of Eltham College for the year ended 31 August 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Summary Income and Expenditure Account and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The charity's directors for the purposes of the Companies Act 1985, are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as 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 (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. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition we 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 directors' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

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

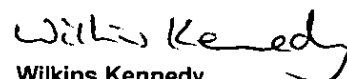
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to charitable companies, of the state of affairs of the charitable company as at 31 August 2008 and of the incoming resources and application of resources in the year then ended; and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

Bridge House
London Bridge
LONDON
SE1 9QR


Wilkins Kennedy
Chartered Accountants
& Registered Auditor

Date: 25 March 2009

ELTHAM COLLEGE

Statement of Financial Activities

For The Year Ended 31 August 2008

| | Notes | Unrestricted School £ | Funds Other £ | Restricted Funds £ | Endowed Funds £ | Total 2008 £ | Total 2007 £ |
|---|-------|-----------------------------|---------------------|--------------------------|-----------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | | | |
| Income from charitable activities: | | | | | | | |
| School Fees receivable | 2(a) | 7,865,532 | - | - | - | 7,865,532 | 7,482,985 |
| Other educational income | 3 | 22,742 | - | - | - | 22,742 | 23,702 |
| Other ancillary trading income | 3 | 331,368 | - | 678,398 | - | 1,009,766 | 1,031,517 |
| Incoming Resources from Generated Funds: | | | | | | | |
| Voluntary income | 3 | 28,000 | - | - | - | 28,000 | 6,704 |
| Investment income | | 31,559 | 11,278 | 1,898 | 1,435 | 46,170 | 34,137 |
| Donations and appeal receipts | | - | 71,326 | 102,611 | - | 173,937 | 55,994 |
| Rents and Lettings | | 41,318 | - | - | - | 41,318 | 107,727 |
| Fundraising proceeds | | - | 4,952 | - | - | 4,952 | 9,496 |
| Total incoming resources | | 8,320,519 | 87,556 | 782,907 | 1,435 | 9,192,417 | 8,752,262 |
| RESOURCES EXPENDED | | | | | | | |
| Costs of generating funds: | | | | | | | |
| Fund-raising | | 103,674 | 28,922 | - | - | 132,596 | 146,081 |
| Financing costs | | 210,496 | - | - | - | 210,496 | 251,779 |
| | | 314,170 | 28,922 | - | - | 343,092 | 397,860 |
| Charitable Activities: | | | | | | | |
| Schools and grant making | | 7,816,787 | 22,353 | 719,626 | - | 8,558,766 | 8,123,163 |
| Governance costs | | 64,684 | - | - | - | 64,684 | 48,982 |
| Total resources expended | 5 | 8,195,641 | 51,275 | 719,626 | - | 8,966,542 | 8,570,005 |
| NET INCOMING RESOURCES | | 124,878 | 36,281 | 63,281 | 1,435 | 225,875 | 182,257 |
| Transfers between funds | 6 | - | 15,814 | (14,379) | (1,435) | - | - |
| Investment gains | 8 | - | (27,105) | (8,388) | - | (35,493) | 21,163 |
| | | 124,878 | 24,990 | 40,514 | - | 190,382 | 203,420 |
| NET MOVEMENT IN FUNDS | | 149,868 | | 40,514 | - | 190,382 | 203,420 |
| Fund Balances at 1 September 2007 | | 5,136,240 | | 286,280 | 32,559 | 5,455,079 | 5,251,659 |
| Fund Balances at 31 August 2008 | | 5,286,108 | | 326,794 | 32,559 | 5,645,461 | 5,455,079 |

The notes on pages 16 to 27 form part of these financial statements.

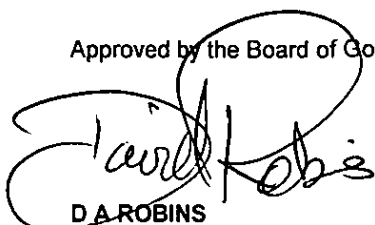
ELTHAM COLLEGE

Balance Sheet

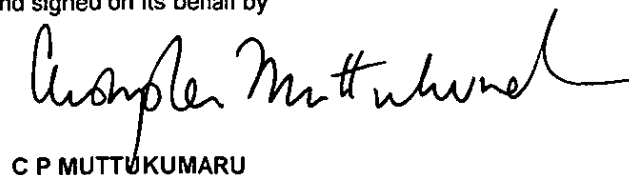
As at 31 August 2008

| | Notes | £ | 2008 £ | £ | 2007 £ | £ |
|--|-------|----------------|-------------------|----------------|-------------------|---|
| Fixed assets | | | | | | |
| Tangible assets | 7 | | 11,457,233 | | 10,821,017 | |
| Investment assets | 8 | | 275,620 | | 311,113 | |
| | | | <u>11,732,853</u> | | <u>11,132,130</u> | |
| Current assets | | | | | | |
| Stocks | | 11,675 | | 7,371 | | |
| Debtors | 9 | 513,636 | | 440,706 | | |
| Cash | | 81,726 | | 76,461 | | |
| | | <u>607,037</u> | | <u>524,538</u> | | |
| Creditors: Amounts falling due within one year | 10 | (2,517,530) | | (2,116,026) | | |
| Net current liabilities | | | (1,910,493) | | (1,591,488) | |
| Total assets less current liabilities | | | 9,822,360 | | 9,540,642 | |
| Creditors: Amounts falling due after more than one year | 11 | | (4,176,899) | | (4,085,563) | |
| Net assets | | | <u>5,645,461</u> | | <u>5,455,079</u> | |
| Endowed funds | 14a | | 32,559 | | 32,559 | |
| Restricted funds | 14b | | 326,794 | | 286,280 | |
| Unrestricted funds | | | | | | |
| Designated and general funds | 14c | | 5,286,108 | | 5,136,240 | |
| Total funds | 14 | | <u>5,645,461</u> | | <u>5,455,079</u> | |

Approved by the Board of Governors on 24.08.2009 and signed on its behalf by



D.A. ROBINS



C P MUTTUKUMARU

The notes on pages 15 to 26 form part of these financial statements.

ELTHAM COLLEGE**Cash Flow Statement****For the Year Ended 31 August 2008**

| | Notes | 2008 | | 2007 | |
|--|-----------|-------------|--------------------|-----------|--------------------|
| | | £ | £ | £ | £ |
| Net cash inflow from operations | 16 | | 985,749 | | 1,001,896 |
| Returns on investments and servicing of finance | | | | | |
| Investment income received | | 11,020 | | 9,845 | |
| Interest received | | 33,602 | | 24,292 | |
| Interest paid | | (210,496) | | (251,779) | |
| | | | (165,874) | | (217,642) |
| Capital expenditure and financial investment | | | | | |
| Payment for tangible fixed assets | | (1,242,850) | | (706,330) | |
| Disposal of fixed assets | | - | | - | |
| | | | (1,242,850) | | (706,330) |
| Net cash inflow before financing | | | (422,975) | | 77,924 |
| Financing | | | (206,133) | | (164,769) |
| Decrease in cash in the year | 18 | | (629,108) | | (86,845) |
| Reconciliation of net cash flow to net debt (note 16) | | | | | |
| Decrease in cash in the year | | | (629,108) | | (86,845) |
| Cash inflow from increase in bank loans | | | - | | - |
| Cash to repay bank loans | | | 206,133 | | 164,769 |
| Change in net debt | 8 | | (422,975) | | 77,924 |
| Net debt at 1 September 2007 | | | (3,786,654) | | (3,864,578) |
| Net debt at 31 August 2008 | 18 | | (4,209,629) | | (3,786,654) |

The notes on pages 16 to 27 form part of these financial statements.

ELTHAM COLLEGE

Summary Income And Expenditure Account

For the Year Ended 31 August 2008

| | 2008 £ | 2007 £ |
|-------------------------|----------------|----------------|
| Gross charitable income | 9,192,417 | 8,752,262 |
| Charitable expenditure | 8,966,542 | 8,570,005 |
| Net income for the year | <u>225,875</u> | <u>182,257</u> |

Notes

1. Gross charitable income consists of the Schools' income of £8,320,519 plus restricted income of £782,907, other income of £87,556 and Endowed income of £1,435. A detailed analysis of income by source is provided in the Statement of Financial Activities.
2. Charitable expenditure consists of the Schools' direct charitable expenditure and management and administration totalling £7,903,824, plus costs of generating funds of £343,092 plus restricted funds expenditure of £719,626, plus other expenditure of £nil. A detailed analysis of the expenditure is provided in the Statement of Financial Activities and notes 4 to 6.
3. Net income before investment asset disposals and transfers consists of the Net Incoming Resources of the Unrestricted Funds (Schools and Other) of £161,159 Restricted Funds of £63,281 and Endowed income of £1,435.
4. The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 11 which together with notes to the financial statements on pages 15 to 26 provides the full information on the movements during the year on all the funds of the School.
5. Gross charitable income includes development income of £60,580 (unrestricted) and £91,889 (restricted). Gross charitable expenditure includes £51,275 of direct and apportioned unrestricted development expenditure and £923 apportioned restricted development expenditure. In addition to this the fundraising and publicity costs in the school includes the development director's salary and also that of the development coordinator. The unrestricted development reserve at the year end stands at £138,907 (2007: £93,397) and the restricted £174,265 (2007: £83,837). It also includes appeal income of £16,758 (unrestricted) and £13,065 (restricted).

ELTHAM COLLEGE**Notes To The Financial Statements****For the Year Ended 31 August 2008****1. ACCOUNTING POLICIES****a) Basis of accounting**

The accounts are prepared in accordance with the Companies Act 1985 on the historical cost convention as modified by the adoption of current cost for investment assets and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (the Charities SORP 2005).

The School has utilised the provisions of paragraph 3 (3) of schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the School's activities.

The financial statements include the results of the unincorporated charity 'Eltham College'. This unincorporated charity continues to hold certain endowed funds not transferred to the charitable company following its incorporation in 1996.

b) Tangible Fixed Assets**School Buildings and Equipment**

The original School land and buildings are carried at original cost as the Directors consider it is not appropriate to apply a modern value to such property. The School is responsible for keeping these properties in fit and useful condition and these costs are written off as incurred. Items costing less than £500 are written off when the expenditure is incurred.

Depreciation

The freehold land and building work in progress are not depreciated. Depreciation of other assets is provided at rates to write off the excess of cost over estimated residual amount over their estimated useful lives as follows:

| | |
|---------------------------------|--|
| Leasehold Land | Over the period of the lease, to a maximum of 50 years |
| Buildings | 20 - 50 years |
| Improvements and refurbishments | 20 years |
| Computer equipment | 3 years |
| Other equipment | 5 -10 years |
| Motor vehicles | 4 years |

c) Investments

Investments are valued in the balance sheet at their market value at the balance sheet date.

d) Stock

Stock is valued at the lower of cost and net realisable value.

e) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees received for education to be provided in future years are carried forward as deferred income.

f) Donations

Donations received for the general purposes of the School are credited to voluntary income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or to endowed funds where the amount is required to be held as permanent capital.

Notes To The Financial Statements

1. ACCOUNTING POLICIES (continued)**g) Expenditure**

Expenditure is allocated to functional headings either on a direct cost basis or apportioned accordingly. The irrecoverable element of VAT is included with the item of expense to which it relates. Supplies of books, expenditure and sundry equipment are written off when the expenditure is incurred.

Governance costs include those incurred in the governance of the charitable company and are primarily associated with constitutional and statutory requirements.

h) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

i) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School 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 FRS 17 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to personal pension schemes for non-teaching staff. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

j) Fund accounting

Unrestricted funds comprise those funds which the Governors may use in the furtherance of the objects of the School.

Designated funds are unrestricted funds set aside by the Governors for specific future purposes or objects.

Restricted funds consist of funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Permanent endowment funds represent assets which must be held permanently by the charity. Income arising on these funds may be used for general purposes.

Notes To The Financial Statements

| 2. | SCHOOL FEES | 2008 £ | 2007 £ |
|-----|---|------------------|------------------|
| (a) | The school's fee income comprised: | | |
| | Gross fees | 8,916,690 | 8,550,857 |
| | Less: Total bursaries, grants and allowances | (1,051,158) | (1,073,217) |
| | | <u>7,865,532</u> | <u>7,477,640</u> |
| | Add back: Scholarships, grants etc. paid for by restricted funds | | 5,345 |
| | | <u>7,865,532</u> | <u>7,482,985</u> |
| b) | Scholarships, grants, awards and prizes paid for by restricted and designated trust funds consists of: | | |
| | Scholarships, grants etc. | 973,517 | 1,015,979 |
| | Prizes and leaving awards | - | 5,344 |
| | | <u>973,517</u> | <u>1,021,323</u> |
| | Less: amount deducted from fees as paid out of unrestricted funds | (971,082) | (1,013,749) |
| | | <u>2,435</u> | <u>7,574</u> |

The above educational awards were made to 201 individuals (2007:209).

| 3. | OTHER INCOME | 2008 £ | 2007 £ |
|----|---|------------------|------------------|
| | Other educational charitable activities | | |
| | Entrance and registration fees | 22,742 | 23,702 |
| | | <u>22,742</u> | <u>23,702</u> |
| | Other ancillary activities | | |
| | School meals | 320,181 | 313,886 |
| | Other | 11,187 | 7,464 |
| | | <u>331,368</u> | <u>321,350</u> |
| | Total School | 678,398 | 710,167 |
| | Restricted funds: trips, projects and productions | | |
| | | <u>1,009,766</u> | <u>1,031,517</u> |
| | Voluntary income | | |
| | PTA donations | 28,000 | 6,704 |
| | | <u>28,000</u> | <u>6,704</u> |

ELTHAM COLLEGE

Notes To The Financial Statements

| 4. EXPENDITURE | 2008 £ | 2007 £ |
|---|-------------------|-------------------|
| Governance expenditure includes: | | |
| Auditors' remuneration: | | |
| For audit services | 9,771 | 9,694 |
| For other services | - | - |
| | <u> </u> | <u> </u> |
| Total staff costs comprised: | £ | £ |
| Wages and salaries | 4,412,721 | 4,159,732 |
| Social security costs | 384,007 | 365,364 |
| Pension contributions | 499,932 | 462,338 |
| | <u>5,296,660</u> | <u>4,987,434</u> |
| The average number of employees in the year was: | <u>Number</u> | <u>Number</u> |
| Academic | 86 | 85 |
| Administration | 14 | 14 |
| Other | 44 | 42 |
| | <u>144</u> | <u>141</u> |
| Neither the Governors nor persons connected with them received any remuneration or reimbursement of expenses from the School during the year. | | |
| The number of employees whose emoluments exceeded £60,000 were: | | |
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | 1 | 1 |
| £90,000 - £100,000 | 1 | 1 |
| | <u> </u> | <u> </u> |

Pension contributions totalling £6,914 were made to money purchase schemes in respect of one of the above higher paid employees. Pension contributions totalling £23,813 were made to the Teachers Pensions in respect of the other higher paid employee.

Notes To The Financial Statements

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff costs £ | Other £ | Depreciation £ | Total £ | 2007 £ |
|-----------------------------------|------------------|------------------|-------------------|------------------|------------------|
| Costs of generating funds: | | | | | |
| Fund-raising | 103,674 | 28,922 | - | 132,596 | 146,081 |
| Finance costs | | 210,496 | - | 210,496 | 251,779 |
| | <u>103,674</u> | <u>239,418</u> | <u>-</u> | <u>343,092</u> | <u>397,860</u> |
| Charitable activities: | | | | | |
| Teaching costs | 379,005 | 4,507,983 | | 4,886,988 | 4,510,701 |
| Welfare | | 375,843 | | 375,843 | 370,515 |
| Premises | 452,177 | 683,029 | 599,396 | 1,734,602 | 1,662,714 |
| Support costs | 410,246 | 1,141,414 | 7,238 | 1,558,898 | 1,571,659 |
| School's operating costs | <u>1,241,428</u> | <u>6,708,269</u> | <u>606,634</u> | <u>8,556,331</u> | <u>8,115,589</u> |
| Grants Awards and prizes | | 2,435 | | 2,435 | 7,574 |
| Total | <u>1,241,428</u> | <u>6,710,704</u> | <u>606,634</u> | <u>8,558,766</u> | <u>8,123,163</u> |
| Governance costs | <u>14,833</u> | <u>49,851</u> | <u>-</u> | <u>64,684</u> | <u>48,982</u> |
| Total resources expended | <u>1,359,935</u> | <u>6,999,973</u> | <u>606,634</u> | <u>8,966,542</u> | <u>8,570,005</u> |

Other expenditure in respect of support costs includes £677,151 paid out of restricted funds which relates mainly to amounts in respect of school excursions, outings and similar activities.

6. TRANSFERS

Within unrestricted funds, a total of £57,027 (2007: £nil) was transferred to the designated General Scholarship Fund. Such transfers were within the terms of the original gifts. The income received on our endowed funds was transferred to our restricted funds as per our accounting policies.

ELTHAM COLLEGE

Notes To The Financial Statements

7. TANGIBLE FIXED ASSETS

| | Freehold Land and Buildings £ | Leasehold Land £ | Furniture and Equipment £ | Motor Vehicles £ | Total £ |
|------------------------|--|------------------------|------------------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 September 2007 | 11,467,196 | 825,000 | 2,120,126 | 82,584 | 14,494,906 |
| Additions | 1,035,848 | - | 207,002 | - | 1,242,850 |
| Disposals | - | - | - | - | - |
| At 31 August 2008 | 12,503,044 | 825,000 | 2,327,128 | 82,584 | 15,737,756 |
| Depreciation | | | | | |
| At 1 September 2007 | 2,162,323 | 72,875 | 1,376,281 | 62,410 | 3,673,889 |
| Charge for year | 386,482 | 16,500 | 196,414 | 7,238 | 606,634 |
| Disposals | - | - | - | - | - |
| At 31 August 2008 | 2,548,805 | 89,375 | 1,572,695 | 69,648 | 4,280,523 |
| Net book values | | | | | |
| At 31 August 2008 | 9,954,239 | 735,625 | 754,433 | 12,936 | 11,457,233 |
| At 31 August 2007 | 9,304,873 | 752,125 | 743,845 | 20,174 | 10,821,017 |

8. INVESTMENTS

| | Unrestricted Designated £ | Restricted £ | Total £ |
|-----------------------------|---------------------------------|-----------------|------------|
| Balance at 1 September 2007 | 237,658 | 73,455 | 311,113 |
| decrease in market value | (27,105) | (8,388) | (35,493) |
| Balance at 31 August 2008 | 210,553 | 65,067 | 275,620 |
| Income shares in COIF | | | 270,920 |

9. DEBTORS

| | 2008 £ | 2007 £ |
|-----------------------|-----------|-----------|
| School fees | 183,142 | 203,204 |
| Sundry debtors | 108,392 | 57,053 |
| Prepayments | 95,723 | 60,572 |
| | 387,257 | 320,829 |
| Due after one year: | | |
| Staff loans (note 20) | 99,379 | 92,877 |
| Other debtors | 27,000 | 27,000 |
| | 513,636 | 440,706 |

Notes To The Financial Statements

| | | |
|--|------------------|------------------|
| 10. CREDITORS: Amounts falling due within one year | 2008 | 2007 |
| | £ | £ |
| Bank loans and overdraft (note 12) | 1,313,442 | 679,068 |
| Fees received in advance | 499,720 | 539,745 |
| Advance fee payments under contract (note 13) | 180,683 | 164,567 |
| Other creditors | 172,489 | 228,617 |
| Accruals | 273,796 | 422,829 |
| Fee deposits | 77,400 | 81,200 |
| | <u>2,517,530</u> | <u>2,116,026</u> |
| 11. CREDITORS: Amounts falling due after more than one year | £ | £ |
| Bank loans (note 12) | 2,977,913 | 3,184,046 |
| Fee deposits | 874,528 | 716,476 |
| Advance fee payments under contract (note 13) | 324,458 | 185,041 |
| | <u>4,176,899</u> | <u>4,085,563</u> |
| 12. BORROWINGS | £ | £ |
| The bank loans and overdraft are repayable by instalments: | | |
| Between one and two years | 415,965 | 415,965 |
| Between two and five years | 1,247,868 | 1,247,895 |
| Due after more than five years | 1314,080 | 1,520,186 |
| | <u>2,977,913</u> | <u>3,184,046</u> |
| Due within one year | 1,313,442 | 679,068 |
| Total borrowings | <u>4,291,355</u> | <u>3,863,114</u> |

The School's bank loan is repayable in monthly instalments over fifteen years from 1 March 2005. Interest is payable at a fixed rate of 6.41%. The borrowings are secured by way of a fixed charge over the School's land and buildings.

Notes To The Financial Statements

13. ADVANCE FEE PAYMENTS UNDER CONTRACT

Parents may enter into a contract to pay to the school up to the equivalent of eleven years tuition in advance set at the current year fee level. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming Pupils will remain in the school, advance fees will be applied as follows:

| | 2008 £ | 2007 £ |
|---------------------|----------------|----------------|
| After 5 years | 36,043 | 58,127 |
| Within 2 to 5 years | 146,053 | 74,735 |
| Within 1 to 2 years | 142,362 | 52,179 |
| | <u>324,458</u> | <u>185,041</u> |
| Within 1 year | 180,684 | 164,567 |
| | <u>505,142</u> | <u>349,608</u> |

The balance represents the accrued liability under the contract.
The movements during the year were:

| | £ |
|-------------------------------------|----------------|
| Balance at 1 September 2007 | 349,608 |
| New contracts | 326,867 |
| | <u>676,475</u> |
| Amounts utilised in payment of fees | (171,333) |
| Balance at 31 August 2008 | <u>505,142</u> |

14. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

| | Fixed Assets £ | Investments £ | Net Current Assets £ | Long Term Liabilities £ | Total £ |
|--------------------|----------------------|------------------|----------------------------|-------------------------------|------------------|
| Endowed funds | | | 32,559 | | 32,559 |
| Restricted funds | | 65,067 | 261,727 | | 326,794 |
| Unrestricted funds | 11,457,233 | 210,553 | (2,204,779) | (4,176,899) | 5,286,108 |
| | <u>11,457,233</u> | <u>275,620</u> | <u>(1,910,493)</u> | <u>(4,176,899)</u> | <u>5,645,461</u> |

ELTHAM COLLEGE

Notes To The Financial Statements

| 14a. ENDOWED FUNDS | Balance 1 September 2007 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance 31 August 2008 £ |
|-----------------------------------|-------------------------------------|----------------------------|----------------------------|----------------|-----------------------------------|
| Scholarship and bursary funds | 23,208 | 1,023 | - | (1,028) | 23,208 |
| Prize funds | 7,203 | 317 | - | (317) | 7,203 |
| ECPA (Neville Wood) Leaving Trust | 2,148 | 95 | - | (95) | 2,148 |
| | <u>3,2559</u> | <u>1,435</u> | <u>-</u> | <u>(1,435)</u> | <u>32,559</u> |

The above endowed funds represent amounts invested in the original Eltham College Charity (Charity number 1058438 -1) and included within the School accounts.

Scholarship and bursary funds include the capital element of the Morton Paton Memorial, Edwin Unwin bursary and the Eltham College Endowment Fund.

Prize funds include the WAT Green Memorial Fund, JE Salmon Fund, GP Janes Fund and the Antony Callard Memorial Trust Fund.

The ECPA (Neville Wood) Leaving Trust provides leaving awards to the sons of missionaries.

| 14b. RESTRICTED FUNDS | Balance 1 September 2007 £ | Incoming Resources £ | Resources Expended £ | Transfers Investment Gains (losses) £ | Balance 31 August 2008 £ |
|---------------------------------|-------------------------------------|----------------------------|----------------------------|--|-----------------------------------|
| School projects and productions | 116,333 | 677,151 | (718,703) | - | 74,781 |
| Scholarships and bursaries | 81,097 | 803 | - | (8,388) | 73,512 |
| Foundation fund | 3,764 | - | - | - | 3,764 |
| Development fund | 83,837 | 91,889 | (923) | (538) | 174,265 |
| Appeal fund | 1,249 | 13,065 | - | (13,842) | 472 |
| | <u>286,280</u> | <u>782,908</u> | <u>(719,626)</u> | <u>(22,768)</u> | <u>326,794</u> |

School projects and productions incorporate all school activities including ECCO and the Travel Club.

The Foundation Fund is held to assist children of missionaries.

Scholarship and bursary funds incorporate the Horace Pearson bursary, Tudor Trust bursary, Wolfson bursary and Edwin Walker Memorial bursary funds.

The Development Fund consists of six separate funds, which are as follows:

1. College Meadow £5,562: The school acquired College Meadow in 2003 and has since this date built an all weather pitch on the site and in the future hopes to develop the pavilion. This fund will help to meet some of the costs associated with the development of this site.
2. Bursary Fund £147,502: The school as a matter of policy provides access to education to children from less affluent backgrounds, this fund will help to finance future places.
3. Arts Centre £4,726, the school has planning permission to build an Arts/Music Centre, this fund will help to finance costs associated with this project.
4. Junior School £15,955, this fund is for any costs associated with the future development of the Junior School.
5. Sports & Outdoor Pursuits £122.
6. Culture & Arts £399.

ELTHAM COLLEGE

Notes To The Financial Statements

14c. UNRESTRICTED FUNDS

| | Balance 1 September 2007 | Incoming Resources | Resources Expended | Transfers Investment Gains (losses) | Balance 31 August 2008 |
|------------------------------|--------------------------------|-----------------------|-----------------------|--|------------------------------|
| | £ | £ | £ | £ | £ |
| Designated: | | | | | |
| Scholarship and bursary fund | 1,039,861 | 10,218 | - | 29,922 | 1,080,001 |
| Development & appeal fund | 97,791 | 77,338 | (51,275) | 15,814 | 139,668 |
| Property reserve | 3,050,001 | - | - | - | 3,050,001 |
| College Meadow development | 250,000 | - | - | - | 250,000 |
| Not designated: | | | | | |
| General reserve | 698,587 | 8,320,519 | (8,195,641) | (57,027) | 766,438 |
| | <u>5,136,240</u> | <u>8,408,075</u> | <u>(8,246,916)</u> | <u>(11,291)</u> | <u>5,286,108</u> |

- a) The Scholarship and bursary fund comprises more than 100% of the budgeted cost of providing scholarships and bursaries over the next academic year.
- b) The Development fund is made up of the following individual funds: unrestricted donations £162,779, development lettings and fundraising events (£23,873). The appeal account of £762, is made up of unrestricted donations. It is anticipated that these unrestricted donations will go towards establishing a bursary foundation fund.
- c) The Property reserve approximates to the cost of the School's freehold land and buildings, including major expenditure previously financed out of working capital, less loans outstanding at the balance sheet date.
- d) The College Meadow Development represents a fund for the development the pavilion.
- e) The general reserve represents the 'free reserves' of the School. The policy is to increase this reserve to equate to approximately the expenditure of one academic term as and when operating surpluses allow, as further explained in the Directors Report.

15. CONTRACTS, COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 August 2008 the capital commitments of Eltham College were £nil (2007 £nil).

Contingent liability

Amounts totalling £750,000 were received in 1996 from external sources for the purpose of developing and equipping the School's Sports Centre. Of this, retention of £309,000 remained contingent at the year-end on the Sports Centre remaining available for dual use by the School and the general public.

ELTHAM COLLEGE

Notes To The Financial Statements

16. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

| | 2008 | | 2007 | |
|----------------------------------|----------|----------------|----------|------------------|
| | £ | £ | £ | £ |
| Net Incoming Resources | | 225,875 | | 182,255 |
| Depreciation charge | 606,634 | | 544,879 | |
| loss on disposal | - | | 5,619 | |
| Investment income received | (11,020) | | (9,845) | |
| Bank interest received | (33,602) | | (24,292) | |
| Interest paid | 210,496 | | 251,779 | |
| (Increase) decrease in stock | (4,304) | | (2,349) | |
| decrease (increase) in debtors | (72,930) | | 19,033 | |
| Increase (decrease) in creditors | 64,600 | | 34,817 | |
| | | <u>759,874</u> | | <u>819,641</u> |
| Net cash inflow from operations | | <u>985,749</u> | | <u>1,001,896</u> |

17. ANALYSIS OF CHANGES IN FINANCING

| | 2008 | 2007 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Loans : | | |
| Balance 1 September 2007 | 3,600,011 | 3,764,780 |
| New loans advanced | - | - |
| Loan repayments | (206,133) | (164,769) |
| Balance at 31 August 2008 | <u>3,393,878</u> | <u>3,600,011</u> |

18. ANALYSIS OF NET DEBT

| | Balance 1 September 2007 | Cashflow | Other changes | Balance 31 August 2008 |
|--------------------------|--------------------------------|------------------|------------------|------------------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 76,460 | 5,266 | - | 81,726 |
| Bank overdraft | (263,103) | (634,374) | - | (897,477) |
| | <u>(186,643)</u> | <u>(629,108)</u> | <u>-</u> | <u>(815,751)</u> |
| Debt due within one year | (415,965) | - | - | (415,965) |
| Debt due after one year | (3,184,046) | 206,133 | - | (2,977,913) |
| Total | <u>(3,786,654)</u> | <u>(422,975)</u> | <u>-</u> | <u>(4,209,629)</u> |

Notes To The Financial Statements

19. RELATED PARTY TRANSACTIONS

- a) Fees payable by trustee directors, as parents of children at the School, totalled £33,264 (2007: £53,165) for the year. £Nil (2007: £Nil) remained outstanding from these directors at 31 August 2008. None of the trustee directors paid reduced fees as a result of their office.
- b) Mr Carey, a trustee director of the company, is a director in Tribal Ltd to which the company paid £788 (2007: £nil) for surveying and planning fees.

20. STAFF LOANS

Loans of £75,000 (2007: £75,000) have been made to key members of staff. The loans are fully secured and subject to repayment on termination of employment. The payment of interest is deferred but charged on an annual basis. The current balance including interest is £99,379.

21. PENSION COSTS

The School participates in the Teachers' Pension Scheme (TPS), which provides benefits based on the final pensionable salary. The total pension cost for the year was £449,513 (2007: £413,007). At the time of the last actuarial valuation performed by the Government actuary, the assets of the Scheme and the level of contributions were considered adequate to meet the Scheme's expected liabilities. For the period from 1 January 2007 the employer contribution rate was 14.10%.

The School also participates in the Pensions Trust's Growth Plan for key members of the non academic staff. The total pension cost for the year was £11,669 (2007: £11,013). The Employer contribution rate for this scheme is 9.65%.

Under the definitions set out in Financial Reporting Standard 17 (FRS17), Retirement Benefits, the TPS and the Pensions Trust's Growth Plan are both multi-employer pension schemes. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme. At the end of the year there were no outstanding contributions payable (2007: £nil).

The School also makes contributions to personal pension schemes for non-teaching staff. The pension cost charged in the financial statements in the year was £38,750 (2007: £38,308). At the end of the year there were no outstanding contributions payable (2007: £nil).

22. FINANCIAL COMMITMENTS

At 31 August 2008 the School had annual commitments under operating leases as set out below:

| Office equipment | 2008 £ | 2007 £ |
|--------------------------------|--------------|---------------|
| Operating leases which expire: | | |
| Between two and five years | <u>3,760</u> | <u>35,798</u> |