

Charity Registration No. 311054

Company Registration No. 947085 (England and Wales)

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008**

RUSSELL NEW LIMITED

WEDNESDAY



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COMPANIES HOUSE

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Governors

Mr N A Shryane (Chairman)
Mr J R S Bryant
Mr C Constantine
Mrs R E Cusworth
Mr W A J Godwin
Mr P A Haworth
Mr Z M Khawaja
Mrs T J Macpherson-Smith
Mr T G Nicol
Reverend J E Power
Mr P C Ward
Mr D M Wernick

Headmaster

Mr M J Davies

Bursar and Secretary

Mr M G M Sims

Charity number

311054

Company number

947085

Principal address

Aldenham Village
Watford
Hertfordshire
WD25 8NL

Registered office

Aldenham Village
Watford
Hertfordshire
WD25 8NL

Auditors

Russell New Limited
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Bankers

Barclays Bank
22-24 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3AL

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
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EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2008

The Governors present their report and accounts for the year ended 31 July 2008.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's Memorandum and Articles of Association, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School

Founded in 1935, Edge Grove (the 'School') is a co-educational, independent day/boarding preparatory school for children between the ages of 3 and 13 years. The School is situated in 28 acres of Hertfordshire parkland, midway between Watford and Radlett. In 1969, the School became a charitable non-profit-making educational trust, governed by a Board of Governors. In 1995, a local school, St Christopher's, having closed as an independent entity, re-opened as the pre-prep and nursery school of Edge Grove and has been known since as Hart House. The Headmaster is a member of the Incorporated Association of Preparatory Schools (IAPS) and the School is a member of the Boarding Schools' Association (BSA).

Group Structure

The charity has a subsidiary undertaking, Edge Grove Enterprises Limited, which receives income from the hire of the sports hall.

Governance and Organisational Management

The following Governors (who are also the Directors for the purpose of Company Law) served during the year:

Mr N A Shryane (Chairman)

Mr J R S Bryant

Mr C Constantine

Mrs R E Cusworth

Mr W A J Godwin

Mr N J R Haddock

(Resigned 29 August 2008)

Mr P A Haworth

Mr Z M Khawaja

Mrs T J Macpherson-Smith

Mr T G Nicol

Mr P C Ward

Mr D M Wernick

The Governors have no beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

The Governors determine the general strategy of the School. Effective governance is ensured through: firstly, the appointment of Governors with a range of relevant skills and knowledge; secondly, the efficient working of the Board's delegated committee structure (see below) and thirdly, through application of a risk management regime underpinning all aspects of the governance task. The day-to-day management of the School is delegated to the Headmaster and the Bursar who attend all of the meetings of the Governing Board and its committees.

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2008**

The Governors, assisted by the Headmaster, select members of the Board. Applications for the position of Governor are sought by word of mouth. The full Board of Governors meets at least 3 times per year. The Board is assisted by 4 sub-committees which carry out close scrutiny of the Governors' responsibilities and which meet termly: Strategic Planning; Finance; Education and Administration (including Marketing), and Legal and Estates (including Risk Management). These committees comprise Governors and, where applicable, other co-opted individuals. All the committees operate under terms of reference specified by the Board of Governors which ratifies the decisions of each committee.

During 2007/08, Board members served on the individual committees as follows:

Strategic Planning: Mr N A Shryane (Chairman), Mr T G Nicol and other co-opted members

Finance: Mr J R S Bryant (Chairman), Mr N A Shryane, Mr C Constantine, Mr Z M Khawaja

Education and Administration: Mrs R E Cusworth (Chairman), Mrs T J Macpherson-Smith, Mr P C Ward, Mr N J R Haddock

Legal and Estates: Mr P A Haworth (Chairman), Mr W A J Godwin, Mr D M Wernick.

Governor Induction and Training

The induction and training of Governors is carried out in accordance with the School's policy on the subject, which also covers the process of appointing Governors. In addition to receiving a detailed Governors' 'Welcome Pack', new Governors attend a series of orientation visits and briefings aimed at familiarising them both with the detailed workings of the School and the responsibilities attaching to their role as trustees. Following their appointment, Governors are strongly urged to take advantage of the numerous training opportunities available, and a central record of such training is maintained.

Related Parties

Two Governors have had related transactions with the School during the year. Note 18 of the accounts refers.

Risk Management

The Board of Governors has assessed the major risks to which the School is exposed and has instigated steps to mitigate exposure to those risks. Each of the Governors' committees carries out a comprehensive annual appraisal of the risks applicable to its specific area of responsibility. Actions required to mitigate those risks are identified and progress on their implementation is carefully monitored within each committee. The most serious risks are then incorporated within a consolidated Governors' Risk Register formally endorsed by the Board each year. The Board recognises that systems cannot provide absolute assurance that all possible risks have been identified or managed.

CHARITABLE OBJECTS AND ACTIVITIES

Charitable Objects

Edge Grove is a Charitable Trust, the stated general object of which is the advancement and promotion of education.

Educational Aims

In particular, the School aims to provide a high quality, broad education that will enable all of its pupils to fulfil their potential and develop their confidence, and thereby prepare them as effectively as possible for the next stage of their education. The School strives not only to achieve academic success, but also to provide excellent opportunities in sport and the creative arts for all of its students.

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2008**

Beneficiaries

As a registered charity, the School's immediate beneficiaries are its 382 pupils who are able to take advantage of the wide and varied educational opportunities offered by the School. The School's high standards are founded on a genuine concern for the welfare and positive development of every child. Emphasis on courtesy and good manners is embedded in a real family atmosphere within the School, and parents are encouraged to be fully involved in the development of their own children's education and in the wider community life of the School. Pupils' and parents' views are fully taken into account in the shaping of school policy.

The School's policy for the award of scholarships and bursaries (reviewed annually by the Board of Governors) ensures that funds are made available to subsidise places at Edge Grove for both deserving and talented children whose parents would not otherwise be able to afford the full fees. Applications for means-tested bursaries are scrutinised by the Governors' Finance Committee, acting on behalf of the Board.

The School also provides benefit to the general public through its offer to make its resources (both human and facilities) available for usage appropriate to its educational aims.

Strategy

The three key elements of the School's medium- to long-term strategy are to:

- continue to develop its role and reputation as a provider of excellent all-round education for its pupils, in a secure and well-maintained environment and utilising the best of modern educational resources;
- implement plans for the School's capital investment as set out in its Ten Year Development Master Plan, which is reviewed and updated annually; and
- continue to seek opportunities to make its education and associated facilities accessible to the public, and young people in particular.

The success of this strategy is measured, primarily, through annual reviews of performance by the Board of Governors and by the reactions of the School's pupils and parents. The role of parent-Governor (of which the School has four with pupils currently at the School) is particularly important in helping to measure the School's educational success.

Objectives for 2007/2008

The Board of Governors identified the following four short-term objectives for 2007/08 (as detailed in the Charity Commission Summary Information Return for 2007):

1. Continue to implement the Read-Write-Inc. synthetic phonic teaching scheme at pre-prep level, and enhance the School's Scholarship and 11+ programmes.
2. Seek planning approval for, and then implement by December 2008, the capital project to construct a new 3-classroom unit for Years 3 and 4 and relocate the facilities for the maintenance and grounds function (Phase 1B of the Development Master Plan).
3. Continue to invest in the School's built-estate, grounds and infrastructure to prevent an accumulation of backlog maintenance.
4. Ensure a positive and effective response to the challenge of meeting as fully as possible the requirements of the Charities Act 2006.

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2008**

ACHIEVEMENTS AND PERFORMANCE

Performance Against Objectives for 2007/2008

The Governors' specific objectives for 2007/08 (as defined above) were fully or partially met as follows:

Objective 1

Read-Write-Inc.

- o RWInc. groups are well settled with children actively engaging in individual learning programmes. Encouraging PIPS results have highlighted increases in children's scores and parents are thrilled with the success of the programme. Sounds are now consistently taught in highly differentiated groups
- o Teaching is consistent and lead teachers actively support in sharing best practice. Top Up Groups are also taught by an additional teachers and 1-1 support is available for those in need
- o The programme has also been successfully incorporated in relevant part to the Junior school with relevant inset held to train Junior staff.
- o Newly introduced non-fiction books have been purchased for early phonetic readers and additional software has been purchased, making some stories interactive.

The school's scholarship programme was highly successful with no fewer than 16 awards being gained to senior independent schools, both locally and nationally. Both boys and girls attained success in their scholarship attempts to single sex, coeducational, boarding and day schools. These scholarships were awarded for outstanding academic ability and, also, for excellence in Art, Music, Sport and All Round performance.

Several pupils were also successful in transferring to schools of their choice at the age of 11. These exams tended to be aimed at more local schools although three pupils also transferred at this age to schools in Kenya, Spain and America. Objective fully met.

Objective 2 - The School was unsuccessful in its application for planning and listed building consent for the construction of a new Junior School Block and the relocation of the maintenance and grounds functions. The School's Development Master Plan has been reviewed and is being updated as a result of that failure. See "Plans for the Future" below. Objective not met.

Objective 3 - The year 2007/08 saw a continuation of work designed to carry out improvements to its built estate, grounds and site infrastructure. Despite the failure to gain planning approval for major capital works (see Objective 2 above) over 30 'special projects' were completed during the course of the year (at a cost of £156.7k), the majority of which comprised facility enhancements and maintenance-related projects. Additionally, the School completed over 100 smaller works orders during the course of the year. Objective fully met.

Objective 4 - Charities Act 2006

The Governors view the facilitation and enhancement of the Public Benefit offering by the school to be of paramount importance and this has been reflected in both the past achievements and the future planning of the school. The School's current contribution towards public benefit takes place at many levels and in many guises. Broadly, these can be attributed to several different categories of activity: educational support; training of teachers; fee subsidies; use of school facilities; fund-raising for charities; development of community links/support, and involvement in environmental initiatives.

Much of the benefit provided is embedded in the School's day-to-day operational activity. Specific activities in 2007/08 included the following achievements: provision of training support for two newly qualified teachers (NQTs); the School awarded fee subsidies with an annual value of £154,229 (2007: £139,500) representing 3.66% of Fee Income (an increase of 11% over 2006/07); of these subsidies £100,726 (2007: £98,896) related to means-tested bursaries; the support of 16 national and local charities (over £5,600 was raised through various fund-raising initiatives); continuing links with 2 schools whose pupils have emotional and behavioural difficulties; direct participation in a wide range of local community events, from Remembrance Day ceremonies to concerts and village fetes; hosting of numerous sporting events involving the participation of local schools and other organisations, and supply of coaching staff to local sports clubs; involvement in local recycling initiatives; development of a School Travel Plan; hosting of senior citizens at school cultural events. Objective fully met.

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2008**

FINANCIAL REVIEW

General Review

In the financial year 2007/08, gross fee income was £4,271,400, an increase of £276,578 over the 2006/07 level (£3,994,822). This was largely attributable to an increase in average pupil numbers over the same period (from 374 in 2006/07 to 382 in 2007/08) coupled, secondly, with the annual increase in fee levels. The annual value of bursaries awarded increased from £139,500 to £154,229. The operating surplus, before expenditure on capital and other special (non-capitalised) projects mentioned below, was £546,951 (£530,194 in 2007).

The operating surplus provided the bulk of the funding that enabled £562,072 (2007: £556,089) to be allocated to capital and other special (non-capitalised) projects designed to maintain and improve the School's facilities. Expenditure on capital projects amounted to £408,958 (2007: £345,211) and a further £153,114 was spent on non-capitalised special projects (2007: £210,878).

During 2007, the School completed the extension and alterations to the School's pre-prep department, Hart House. Funding of £336,771 - representing over half of the total project cost - was provided from the 2007/08 capital allocation.

As at 31 July 2008, net consolidated unrestricted funds stood at £2,488,417 (2007: £2,094,580). These funds were wholly deployed in funding the School's premises, equipment and working capital. The balance of funds needed to finance these items has been provided through borrowings. As at 31 July 2008, net borrowings were £255,317 (2007: £218,984): an increase of £36,333 over the year.

Reserves Policy

Each year a budget and cash flow is produced for the following year and period performance is monitored against those figures. In setting the budget, the Governors' objectives are to generate sufficient Reserves each year to enable the School to invest in its infrastructure and fulfil its Development Master Plan, to support and service its borrowings, and to provide working capital. The School will utilise all of its reserves in meeting these aims and does not expect to generate free reserves over and above the level required to meet them. Annual cash surpluses representing the School's liquid resources are managed carefully in order to service its working capital requirements.

PLANS FOR THE FUTURE

1. The School will prepare for its forthcoming ISI inspection which is set for November 2009.
2. The school will update its long term development building plans with a view to major works commencing by October 2009.
3. The school will review its timetabling arrangements for both academic lessons and extra-curricular activities.
4. The school will update its IT and MIS provisions, both for Administrative and Educational purposes.
5. The school will take major steps to develop its catering provision.
6. The school will review the balance of its activity programme to further enhance opportunities for children of all ages throughout the school.
7. The school will take steps to increase its links with parents and the wider community.
8. The school will develop its culture, policy and practice for "Environment and Sustainability".
9. The school will further develop its culture, policy and practice for Health and Safety.
10. The school will introduce a new system of Professional Development and Review for teaching staff. This will entail the sharing of best practice amongst teachers as well as formal appraisal by senior management.

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2008**

PUBLIC BENEFIT

The Governors recognise that, under the Charities Act 2006, the charity must be able to demonstrate that its objects or aims are for the public benefit. They also acknowledge their legal duty to have regard to the Charity Commission's guidance where it is relevant to an educational, fee-charging charity, both in meeting the public benefit requirement and in discharging their responsibilities as trustees. They further acknowledge the statutory requirement to make a confirmatory statement to that effect in the charity's annual accounts and Annual Return, with effect from the financial year commencing 1 August 2008.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Russell New Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Governors



Mr N A Shryane
Chairman of Governors
Dated: 18.3.09

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the school and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the Governors are required to:

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

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

**EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EDGE GROVE SCHOOL TRUST LIMITED**

We have audited the accounts of Edge Grove School Trust Limited for the year ended 31 July 2008 set out on pages 9 to 23. These accounts have been prepared in accordance with the accounting policies set out on page 13.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As described on page 7, the Governors, who are also the directors of Edge Grove School Trust Limited for the purpose of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts 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 accounts 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 Governors' Report is consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the school is not disclosed.

We are not required to consider whether the statement in the Governors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the accounts, and of whether the accounting policies are appropriate to the school'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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the school's and group affairs as at 31 July 2008 and of its incoming resources and application of resources in the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Governors' Report is consistent with the accounts.

Russell New Limited

Registered Auditor

The Courtyard

Shoreham Road

Upper Beeding

Steyning

West Sussex

BN44 3TN

Dated: 14 April 2009

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2008

| | Notes | Total 2008 £ | Total 2007 £ |
|--|-------|----------------------|----------------------|
| Incoming Resources | | | |
| Incoming resources from generated funds | | | |
| Voluntary income - donations and legacies | | 10 | 2,512 |
| Activities for generating funds - Sports hall | 2 | 15,210 | 10,592 |
| Investment income - interest received | | 31,616 | 13,888 |
| | | <u>46,836</u> | <u>26,992</u> |
| Incoming resources from charitable activities | | | |
| Other incoming resources | 3 | 4,117,171 | 3,855,322 |
| | | <u>4,000</u> | <u>256</u> |
| Total incoming resources | | <u>4,168,007</u> | <u>3,882,570</u> |
| Resources Expended | | | |
| Costs of generating funds | | | |
| Trading activities - Sports hall | 4 | 15,840 | 16,100 |
| | | <u>15,840</u> | <u>16,100</u> |
| Net incoming resources available | | <u>4,152,167</u> | <u>3,866,470</u> |
| Charitable activities | | | |
| Education | | 3,715,979 | 3,507,535 |
| | | <u>3,715,979</u> | <u>3,507,535</u> |
| Governance costs | | <u>42,351</u> | <u>39,619</u> |
| Total resources expended | | <u>3,774,170</u> | <u>3,563,254</u> |
| Net income for the year/ Net incoming resources | | <u>393,837</u> | <u>319,316</u> |
| Fund balances at 1 August 2007 | | <u>2,094,580</u> | <u>1,775,264</u> |
| Fund balances at 31 July 2008 | | <u>2,488,417</u> | <u>2,094,580</u> |

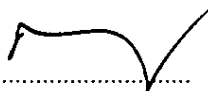
All income and gains for the period are recognised above. All of the group's activities are classified as continuing.

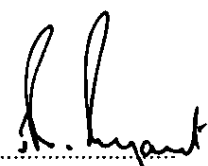
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2008

| | Notes | 2008 £ | £ | 2007 £ | £ |
|--|-------|-------------------------|---|-------------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 7 | 3,026,684 | | 2,696,980 | |
| Current assets | | | | | |
| Stocks | | 6,523 | | 4,223 | |
| Debtors | 8 | 99,369 | | 63,277 | |
| Cash at bank and in hand | | 857,159 | | 349,118 | |
| | | <u>963,051</u> | | <u>416,618</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(503,631)</u> | | <u>(559,018)</u> | |
| Net current assets/(liabilities) | | <u>459,420</u> | | <u>(142,400)</u> | |
| Total assets less current liabilities | | <u>3,486,104</u> | | <u>2,554,580</u> | |
| Creditors: amounts falling due after more than one year | 10 | <u>(997,687)</u> | | <u>(460,000)</u> | |
| Net assets | | <u><u>2,488,417</u></u> | | <u><u>2,094,580</u></u> | |
| Income funds | | | | | |
| Unrestricted funds | | <u>2,488,417</u> | | <u>2,094,580</u> | |
| | | <u><u>2,488,417</u></u> | | <u><u>2,094,580</u></u> | |

The accounts were approved by the Board on 18.3.09

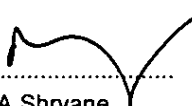

 N A Shryane
 Chairman of Governors

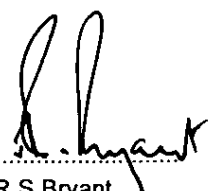

 J R S Bryant
 Chairman of Finance Committee

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
SCHOOL BALANCE SHEET
AS AT 31 JULY 2008

| | Notes | 2008 £ | £ | 2007 £ | £ |
|--|-------|-------------------------|---|-------------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 7 | 2,606,963 | | 2,263,422 | |
| Investments | 2 | 300,000 | | 300,000 | |
| | | <u>2,906,963</u> | | <u>2,563,422</u> | |
| Current assets | | | | | |
| Stocks | | 6,523 | | 4,223 | |
| Debtors | 8 | 332,386 | | 314,952 | |
| Cash at bank and in hand | | 840,449 | | 329,011 | |
| | | <u>1,179,358</u> | | <u>648,186</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(499,774)</u> | | <u>(555,997)</u> | |
| Net current assets/(liabilities) | | <u>679,584</u> | | <u>92,189</u> | |
| Total assets less current assets | | <u>3,586,547</u> | | <u>2,655,611</u> | |
| Creditors: amounts falling due after more than one year | 10 | <u>(997,687)</u> | | <u>(460,000)</u> | |
| Net assets | | <u><u>2,588,860</u></u> | | <u><u>2,195,611</u></u> | |
| Income funds | | | | | |
| Unrestricted funds | | <u>2,588,860</u> | | <u>2,195,611</u> | |
| | | <u><u>2,588,860</u></u> | | <u><u>2,195,611</u></u> | |

The accounts were approved by the Board on 18.3.09


 N A Shryane
 Chairman of Governors


 J R S Bryant
 Chairman of Finance Committee

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2008

| | Notes | 2008 £ | 2007 £ |
|--|-----------|------------------|------------------|
| Net cash inflow from operating activities | 14 | 368,626 | 521,432 |
| Capital expenditure | | | |
| Payments to acquire tangible fixed assets | (408,958) | (345,211) | |
| Receipts from sales of tangible fixed assets | 4,000 | 256 | |
| Net cash outflow from capital expenditure | | (404,958) | (344,955) |
| Net cash (outflow)/inflow before financing | | (36,333) | 176,477 |
| Financing | | | |
| Increase in long term bank loan | 501,765 | - | |
| Repayment of long term bank loan | - | (57,730) | |
| Capital element of hire purchase and finance lease rentals | 46,975 | (2,095) | |
| Net cash inflow/(outflow) from financing | | 548,740 | (59,825) |
| Increase in cash | 15 | 512,407 | 116,652 |

EDGE GROVE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2008

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985.

1.2 Group financial statements

These financial statements consolidate the results of the school and its wholly-owned subsidiary Edge Grove Enterprises Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraphs 396 and 397 of SORP 2005.

1.3 Incoming resources

School fee income is accounted for on a receivable basis and consists of charges billed for the school year, less bursaries and allowances. Fees received for education to be provided in future years are carried forward as deferred income.

Donations and legacies are accounted for as received by the School.

Investment income is accounted for in the period in which the school is entitled to receipt.

All other income is accounted for as received by the School.

1.4 Resources expended

Expenditure is accounted for on an accruals basis, with the irrecoverable element of value added tax included with the item of expense to which it relates.

Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs are those incurred in connection with compliance, constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|----------------|
| Freehold land is not depreciated | |
| Freehold buildings | 2% on cost |
| Portable buildings | 33.33% on cost |
| Fixtures and fittings | 10% on cost |
| Motor vehicles | 25% on cost |

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NOTES TO THE ACCOUNTS (CONTINUED)
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1 Accounting Policies

(continued)

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 Stock

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

1.8 Pensions

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers Pension Agency. Contributions to the Scheme are charged to the Statement of Financial Activities as they fall due. The Teachers Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in Financial Reporting Standard 17 Retirement Benefits, the Teachers Pension Scheme is a multi-employer pension scheme. The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under Financial Reporting Standard 17 Retirement Benefits the scheme is accounted for as if it were a defined contributions scheme.

The school also contributes to personal pension schemes for non-teaching staff.

1.9 Fund accounting

Funds held by the school are unrestricted general funds. These are funds which can be used in accordance with the charitable objects at the discretion of the Governors.

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2 Investment in trading subsidiary

The wholly-owned trading subsidiary, Edge Grove Enterprises Limited, which is incorporated in England and Wales, hires out the sports hall. The school owns the entire issued share capital of 300,000 A Ordinary £1 shares. A summary of the trading results is shown below. These include transactions with Edge Grove School Trust Limited £22,130 (2007: £30,811), which have been eliminated on consolidation.

Summary profit and loss account

| | 2008 | 2007 |
|--|------------|--------------|
| | £ | £ |
| Turnover | 37,340 | 41,403 |
| Cost of sales and administrative expenses | (16,900) | (17,692) |
| Interest payable | (20,275) | (18,119) |
| | <u>165</u> | <u>5,592</u> |
| Net profit/(loss) retained in the subsidiary | <u>165</u> | <u>5,592</u> |

Summary balance sheet

The assets and liabilities of the subsidiary were:

| | | |
|--|----------------|----------------|
| Fixed assets | 419,378 | 433,557 |
| Current assets | 33,453 | 20,107 |
| Creditors: amounts falling due within one year | (253,697) | (254,695) |
| | <u>199,134</u> | <u>198,969</u> |
| Total net assets | <u>199,134</u> | <u>198,969</u> |
| | <u>199,134</u> | <u>198,969</u> |
| Aggregate share capital and reserves | <u>199,134</u> | <u>198,969</u> |

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NOTES TO THE ACCOUNTS (CONTINUED)
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3 Incoming resources from charitable activities

| | 2008 £ | 2007 £ |
|----------------------------|------------------|------------------|
| Gross school fees | 4,221,604 | 3,949,119 |
| Bursaries and allowances | (154,229) | (139,500) |
| | <u>4,067,375</u> | <u>3,809,619</u> |
| Registration fees | 5,450 | 6,450 |
| Extras and casual boarding | 44,346 | 39,253 |
| | <u>4,117,171</u> | <u>3,855,322</u> |

4 Total resources expended

| | Staff costs £ | Depreciation £ | Other costs £ | Total 2008 £ | Total 2007 £ |
|----------------------------------|---------------------|-------------------|---------------------|--------------------|--------------------|
| Costs of generating funds | | | | | |
| Trading activities - Sports hall | - | 14,181 | 1,659 | 15,840 | 16,100 |
| | <u>-</u> | <u>14,181</u> | <u>1,659</u> | <u>15,840</u> | <u>16,100</u> |
| Total costs of generating funds | - | 14,181 | 1,659 | 15,840 | 16,100 |
| | <u>-</u> | <u>14,181</u> | <u>1,659</u> | <u>15,840</u> | <u>16,100</u> |
| Charitable activities | | | | | |
| <u>Education</u> | | | | | |
| Teaching | 1,997,207 | 13,570 | 132,900 | 2,143,677 | 1,948,928 |
| Welfare | 327,851 | - | 140,793 | 468,644 | 450,093 |
| Premises | 151,778 | 51,505 | 459,810 | 663,093 | 717,433 |
| Finance | - | - | 67,408 | 67,408 | 69,756 |
| Support costs | 229,390 | - | 143,767 | 373,157 | 321,325 |
| | <u>2,706,226</u> | <u>65,075</u> | <u>944,678</u> | <u>3,715,979</u> | <u>3,507,535</u> |
| Total charitable activities | 2,706,226 | 65,075 | 944,678 | 3,715,979 | 3,507,535 |
| | <u>2,706,226</u> | <u>65,075</u> | <u>944,678</u> | <u>3,715,979</u> | <u>3,507,535</u> |
| Governance costs | - | - | 42,351 | 42,351 | 39,619 |
| | <u>-</u> | <u>-</u> | <u>42,351</u> | <u>42,351</u> | <u>39,619</u> |
| | <u>2,706,226</u> | <u>79,256</u> | <u>988,688</u> | <u>3,774,170</u> | <u>3,563,254</u> |

Governance costs include payments to the auditors of £6,560 (2007: £5,288) for audit fees and £21,405 (2007: £22,295) for other services. Included within Finance costs is bank loan interest amounting to £10,814 (2007: £15,539). Included within Premises costs are operating lease costs in respect of land and buildings amounting to £30,898 (2007: £34,075) and in respect of other leases £59,134 (2007: £74,325).

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5 Governors

None of the Governors (or any persons connected with them) received any remuneration or were reimbursed any expenses from the school during the year.

Included within the School's insurance premium is an amount of £2,504 (2007: £3,130) relating to Governors' Indemnity Insurance.

6 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2008 Number | 2007 Number |
|----------------|----------------|----------------|
| Teaching | 48 | 45 |
| Household | 24 | 22 |
| Administration | 8 | 7 |
| | <u>80</u> | <u>74</u> |

Employment costs

| | 2008 £ | 2007 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,320,193 | 2,104,556 |
| Social security costs | 168,815 | 174,039 |
| Other pension costs | 217,218 | 207,109 |
| | <u>2,706,226</u> | <u>2,485,704</u> |

The number of employees whose annual emoluments were £60,000 or more were:

| | 2008 Number | 2007 Number |
|-------------------|----------------|----------------|
| £60,000 - £70,000 | - | 1 |
| £70,000 - £80,000 | 1 | - |

Contributions totalling £11,134 (2007: £9,778) were made to the Teachers' Pension Scheme on behalf of employees whose emoluments exceed £60,000.

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NOTES TO THE ACCOUNTS (CONTINUED)
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7 Tangible fixed assets - Consolidated

| | Land and buildings £ | Portable buildings £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|----------------------------|-------------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 August 2007 | 3,228,647 | 16,640 | 260,113 | 80,113 | 3,585,513 |
| Additions | 350,366 | - | - | 58,592 | 408,958 |
| Disposals | - | - | - | (49,168) | (49,168) |
| At 31 July 2008 | 3,579,013 | 16,640 | 260,113 | 89,537 | 3,945,303 |
| Depreciation | | | | | |
| At 1 August 2007 | 549,282 | 16,640 | 252,002 | 70,609 | 888,533 |
| On disposals | - | - | - | (49,168) | (49,168) |
| Charge for the year | 61,625 | - | 4,059 | 13,570 | 79,254 |
| At 31 July 2008 | 610,907 | 16,640 | 256,061 | 35,011 | 918,619 |
| Net book value | | | | | |
| At 31 July 2008 | 2,968,106 | - | 4,052 | 54,526 | 3,026,684 |
| At 31 July 2007 | 2,679,365 | - | 8,111 | 9,504 | 2,696,980 |

The net book value of land and buildings comprises:

| | 2008 £ | 2007 £ |
|-----------------------------------|------------------|------------------|
| Freeholds | 684,948 | 551,877 |
| Short leaseholds (under 50 years) | 2,283,158 | 2,127,488 |
| | 2,968,106 | 2,679,365 |

Included within the net book value of £3,026,683 is £419,378 relating to assets owned by the school's subsidiary, Edge Grove Enterprises Limited.

Included within Motor Vehicles net book value of £54,526 is £50,659 relating to assets held under hire purchase.

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NOTES TO THE ACCOUNTS (CONTINUED)
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8 Debtors

| | Consolidated | | | School |
|------------------------------------|---------------------|---------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Trade debtors | 57,301 | 37,564 | 40,557 | 37,564 |
| Amounts owed by group undertakings | - | - | 249,760 | 251,675 |
| Prepayments and accrued income | 42,068 | 25,713 | 42,069 | 25,713 |
| | <u>99,369</u> | <u>63,277</u> | <u>332,386</u> | <u>314,952</u> |

9 Creditors: amounts falling due within one year

| | Consolidated | | | School |
|---|---------------------|----------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Bank overdrafts | 103,737 | 108,102 | 103,737 | 108,102 |
| Net obligations under finance lease and hire purchase contracts | 11,053 | - | 11,053 | - |
| Taxes and social security costs | - | 1,060 | - | - |
| Deposits and fees in advance | 326,305 | 294,990 | 326,305 | 294,990 |
| Trade creditors and accruals | 62,536 | 154,866 | 58,679 | 152,905 |
| | <u>503,631</u> | <u>559,018</u> | <u>499,774</u> | <u>555,997</u> |

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NOTES TO THE ACCOUNTS (CONTINUED)
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10 Creditors: amounts falling due after more than one year

| | 2008 | Consolidated 2007 | 2008 | School 2007 |
|---|----------------|----------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Bank loans | 961,765 | 460,000 | 961,765 | 460,000 |
| Net obligations under finance leases and hire purchase contracts | 35,922 | - | 35,922 | - |
| | <u>997,687</u> | <u>460,000</u> | <u>997,687</u> | <u>460,000</u> |
| Analysis of loans | | | | |
| Total loan capital | <u>961,765</u> | <u>460,000</u> | <u>961,765</u> | <u>460,000</u> |
| Loan maturity analysis | | | | |
| In more than two years but not more than five years | 60,883 | 60,883 | 60,883 | 60,883 |
| In more than five years | <u>900,882</u> | <u>399,117</u> | <u>900,882</u> | <u>399,117</u> |
| | <u>961,765</u> | <u>460,000</u> | <u>961,765</u> | <u>460,000</u> |

The bank overdraft and loans are secured by a First Land Charge over 3 Horwood Cottages, 9 High Cross and 1 & 2 Roundbush Cottages.

Net obligations under finance leases and hire purchase contracts

| | | | | |
|---|-----------------|----------|-----------------|----------|
| Repayable within one year | 11,053 | - | 11,053 | - |
| Repayable between one and five years | <u>35,922</u> | <u>-</u> | <u>35,922</u> | <u>-</u> |
| | 46,975 | - | 46,975 | - |
| Included in liabilities falling due within one year | <u>(11,053)</u> | <u>-</u> | <u>(11,053)</u> | <u>-</u> |
| | <u>35,922</u> | <u>-</u> | <u>35,922</u> | <u>-</u> |

EDGE GROVE SCHOOL TRUST LIMITED
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11 Pension costs

Teachers are required to join the Teachers' Pension Scheme, unless they opt out, which is an unfunded defined benefit scheme. Teachers' contributions, which are on a pay-as-you-go basis, and employer's contributions are credited to the Exchequer under arrangements governed by the Superannuation Act 1972.

Not less than every four years, with a supporting interim valuation in between, the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the scheme. The aim of the review is to specify the level of future contributions.

The last valuation of the scheme related to the period from 1 April 2001 to 31 March 2004. As a result of the Government Actuary's report in October 2006, the contributions were increased from 1 January 2007 to 6.4% by employees and 14.1% by employers. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 14% cap on the employer contributions. For the period up to 31 December 2006 the contributions were 6% for employees and 13.5% for employers.

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the Teachers' Pension Scheme is a multi-employer scheme and, as such, the charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has taken advantage of the exemption in FRS 17 and has accounted for its contributions as if it were a defined contribution scheme.

Employer contributions due to the Teachers' Pension Scheme during the year amounted to £190,217 (2007: £181,715) and contributions due to other pension schemes amounted to £25,088 (2007: £25,394). There were no amounts (2007: £nil) outstanding at the balance sheet date.

12 Share capital

The charity is limited by guarantee and does not have a share capital. No one member has overall control of the charity.

13 Other funds

Included within Unrestricted funds are the reserves of the charity's subsidiary Edge Grove Enterprises Limited. These funds represent non-charitable funds.

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FOR THE YEAR ENDED 31 JULY 2008

| | | | | | |
|----|--|------------------|------------------|-----------------|------------------|
| 14 | Net cash inflow from operating activities | 2008 | 2007 | | |
| | | £ | £ | | |
| | Reconciliation to changes in resources | | | | |
| | Changes in resources before revaluations | 393,837 | 319,316 | | |
| | Depreciation of tangible fixed assets | 79,256 | 82,496 | | |
| | Profit on disposal of tangible fixed assets | (4,000) | (256) | | |
| | Increase/(decrease) in stocks | (2,300) | 2,187 | | |
| | Increase in debtors | (36,092) | (17,526) | | |
| | (Decrease)/Increase in creditors | (62,075) | 135,215 | | |
| | | <u>368,626</u> | <u>521,432</u> | | |
| 15 | Reconciliation of net cash flow to movement in net debt | 2008 | 2007 | | |
| | | £ | £ | | |
| | Increase in cash | 512,407 | 116,652 | | |
| | Increase in long term bank loan | (501,765) | - | | |
| | Repayment of long term bank loan | - | 57,730 | | |
| | Capital element of hire purchase and finance lease rentals | (46,975) | 2,095 | | |
| | Movement in net debt | (36,333) | 176,477 | | |
| | Net debt at 1 August 2007 | (218,984) | (395,461) | | |
| | Net debt at 31 July 2008 | <u>(255,317)</u> | <u>(218,984)</u> | | |
| 16 | Analysis of net debt | | | | |
| | At 1 August 2007 | Cash flow | Non-cash changes | At 31 July 2008 | |
| | £ | £ | £ | £ | |
| | Cash at bank and in hand | 349,118 | 508,042 | - | 857,160 |
| | Bank overdrafts | (108,102) | 4,365 | - | (103,737) |
| | | | <u>512,407</u> | | |
| | Debt due within one year | - | (501,765) | 501,765 | - |
| | Hire purchase and finance leases | - | (46,975) | - | (46,975) |
| | Debt due after one year | (460,000) | - | (501,765) | (961,765) |
| | | | <u>(548,740)</u> | | |
| | | <u>(218,984)</u> | <u>(36,333)</u> | <u>-</u> | <u>(255,317)</u> |

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17 Commitments under operating leases

At 31 July 2008 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------|--------------------|---------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within one year | 10,800 | 24,500 | 9,714 | 12,929 |
| Between two and five years | 9,000 | - | 9,440 | 20,154 |
| In over five years | 20,250 | 20,250 | 1,000 | - |
| | <u>40,050</u> | <u>44,750</u> | <u>20,154</u> | <u>33,083</u> |

18 Related parties

Two Governors have had related transactions with the School during the year. During the year, the Battlers Green Farm Shop (owned by Mr P A Haworth) invoiced the school £16,544 (2007: £13,606) for catering supplies (mainly fresh fruit and vegetables). Mr D Wernick is Managing Director of Wernick Hire Limited (suppliers of portable buildings) which invoiced the school £14,402 (2007: £32,803) for the continuing hire of 3 temporary classrooms and a storage shed. All transactions were at arms length.