

GLENDOWER SCHOOL TRUST LIMITED
GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005



Registered Company No: 960831
Registered Charity No: 312717

GLENDOWER SCHOOL TRUST LIMITED

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GLENDOWER SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2005

Governors

N K C Horlick (Chair)
C E Hambro
R K Harrison
C R Ladsky
G Marsh
S J S Martyrossian (nee MacAulay)
M F Rudland
H Stewart
G J Thompson
J M Wheeldon

Headmistress

R E Bowman

Secretary

R E Bowman (from October 2004)

Charity Number

312717

Company Number

960831

Principal address and registered office

87 Queen's Gate
London
SW7 5JH

Auditors

Haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Bankers

National Westminster Bank plc
Cromwell Road Branch
PO Box 420
88 Cromwell Road
SW7 4EW

Solicitors

Lee Bolton and Lee
1 The Sanctuary
Westminster
London
SW7 4EW

GLENDOWER SCHOOL TRUST LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2005

The Governors present their report and accounts for the year ended 31 August 2005. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by charities" issued in October 2000, applicable law and the Trust's Memorandum and Articles of Association.

REFERENCE AND ADMINISTRATIVE INFORMATION

Glendower School Trust Limited was founded by Trust Deed in 1969 which was amended in 1977.

The charity is a company limited by guarantee.

The Governors, who are also the directors for the purpose of company law, who served during the period and up to the date of the signing of this report were:

N K C Horlick (Chair)*

C E Hambro*

R K Harrison*

W N J Howard (retired 7 June 2005)

C R Ladsky

G Marsh

S J S Martyrossian (nee MacAulay)*

M F Rudland

H Stewart*

G J Thompson (appointed 1 September 2005)

J M Wheeldon

*Members of the Finance Committee

None of the Governors has any 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, last amended on 22 November 2005.

Governing Body

The Governors, who are also required under the Articles to serve as members of the company, are elected at a full Governors' meeting. They are chosen to represent a suitable cross section of expertise and at least one Governor is a parent of a pupil at the school.

Governor Training

New Governors are inducted into the workings of the school by the Head and Bursar and provided with an introductory pack of school information. Occasional training workshops are organised and Governors are kept informed of other relevant training days run by outside organisations.

Organisational Management

The Governors meet as a Board at least three times a year to determine general policy. The Finance Committee, chaired by Mr Harrison, meets two weeks before each Board meeting, mainly to review budgets and termly management accounts, and its recommendations are ratified by the full Board of Governors. The day-to-day running of the school is delegated to the Head, supported by other teaching members of the Senior Management Team and the Bursar.

Group Structure and Relationships

Glendower School Trust is an active member of IAPS for the promotion and maintenance of preparatory schools standards generally.

The school is actively involved with other local state schools, provided teaching support in drama, art and sports and providing financial support for swimming.

The school benefits from a thriving parents' association, whose close support, hard work and generosity is greatly appreciated and gladly acknowledged.

· GLENDOWER SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2005

Risk Management

The Board, with particular assistance from the Risk Management sub-committee and the Head and Bursar, continue to keep the school's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Object

The Object of the Trust is to own and operate Glendower Preparatory School as an independent preparatory and pre-preparatory day school for girls aged 4 to 11.

Aims

The School's aim is to do more than simply teach young children. Rather it is to introduce them to the pleasure and excitement of learning, stimulating their curiosity, their imagination and competitive spirit and developing their critical thinking skills. Whilst aiming for the highest academic and sporting results, we are equally concerned with fostering the kind of skills that help young girls grow into capable young women with a sense of self-worth and a developing awareness of the contribution they can make to society as a whole.

Objectives for the year

The Board's main objective continued to be to educate all the School's pupils to at least the same high standard achieved by the School in previous years, so that they will be able to gain a place at their chosen senior school and to fully benefit from their future education. The strategy for achieving this is to maintain a high teacher-to-pupil ratio and excellent teaching standards.

Principal Activity

Glendower School Trust's principal activity continues to be the provision of a Day School for 4-11 year-old girls. The school is currently full with 188 pupils.

Grant-making

The Trust has in place a bursary scheme to assist in situations of hardship. During the year, one pupil was supported under this scheme.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

In the spring of 2005 the pupils achieved an impressive set of results in the 11+ examinations, gaining entry to the very best day and boarding schools. It was also a very successful year for sport. The swimming team won the London Schools Swimming Association Championship and came second in the U11 IAPS National Championships and the U11 netball team qualified for the IAPS national finals. Every girl was involved in her annual year play, these plays being staged at intervals throughout the school year. An exciting programme of outings and educational visits was planned and executed.

In June 2005 the school was inspected by the ISI and judged to be very good with no significant weaknesses

The Trust and pupils of the School continue to support local charities and local state schools and are investigating other initiatives in support of the wider local community.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The accounts for the year show net incoming resources before investment gains of £166,492 (2004: £109,579). The net income was 10% of annual fee income and an increase on the previous year. This reflects the short-term plan of building up the reserves to finance the capital expenditure needed to upgrade the school facilities to the highest standard recommended by the ISC for a premier school, planning constraints allowing.

Additions to fixed assets in the year amounted to £12,715.

GLENDOWER SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2005

Investment performance

The Trust's investment portfolio improved significantly from the previous year, with income levels increasing and a gain on investments sold and held during the year.

Investment Policy and Objectives

There are no restrictions on the School's absolute powers of investment. The School's policy continues to be to achieve long-term capital growth through risk-averse investments. During the year the school received £52,936 of investment income from such investments, compared to £42,958 in 2004.

Reserves Policy

It is the policy of the Trust that unrestricted free reserves, which have not been designated for a specific use, should be maintained at a level between nine and twelve months' expenditure (between approximately £1 million and £1.4 million). The Governors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. At the year end the Trust had unrestricted free reserves of £2.04m.

FUTURE PLANS

Our key objectives for the future remains the same as reported above for this year.

We are actively pursuing plans to expand the school buildings, so that extra facilities can be provided for the pupils and staff.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company Law requires the Governors to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts the Governors are required to:

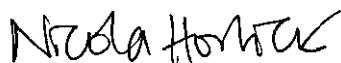
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The Governors 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing haysmacintyre to be appointed as auditors of the company, will be put to the Annual General Meeting.

On behalf of the Board of Governors



N K C Horlick (Chair)
Governor

22 November 2005

REPORT OF THE INDEPENDENT AUDITORS' TO THE GOVERNORS OF

GLENDOWER SCHOOL TRUST LIMITED

We have audited the financial statements of Glendower School Trust Limited for the year ended 31 August 2005 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

The governors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' Responsibilities. The Governors are also the directors of Glendower School Trust Limited for the purposes of company law.

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

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 if, in our opinion, the Governors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the Governors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 August 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



haymacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London WC1V 6AY

...24. November 2005

GLENDOWER SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2005

	Note	Total 2005 £	Total 2004 £
INCOMING RESOURCES			
Activities in furtherance of the charity's objectives			
School Fees	2	1,600,021	1,443,959
Other income	3	55,393	29,151
Investment income	4	52,936	42,958
Total Incoming Resources		1,708,350	1,516,068
RESOURCES EXPENDED			
Costs of Generating Funds			
Investment management fees		6,769	3,249
Finance costs		1,805	1,608
Charitable Expenditure			
Teaching costs		997,830	911,898
Welfare costs		113,982	134,575
Premises costs		246,478	205,731
Support costs		163,850	142,735
Governance costs		11,144	6,693
Total resources expended	5	1,541,858	1,406,489
Net incoming resources before investment gains		166,492	109,579
Unrealised gains on investments		266,335	18,411
Net movement in funds		432,827	127,990
Fund balances at 1 September 2004		2,448,359	2,320,369
Fund balances at 31 August 2005		£2,881,186	£2,448,359

All funds are unrestricted.

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

The notes on pages 8 to 12 form part of these financial statements.

GLENDOWER SCHOOL TRUST LIMITED

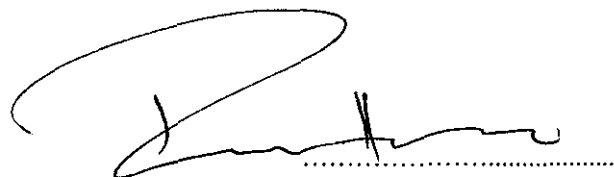
BALANCE SHEET

AS AT 31 AUGUST 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	9	844,969	905,316
Investments	10	1,573,913	1,289,852
		<u>2,418,882</u>	<u>2,195,168</u>
CURRENT ASSETS			
Debtors	11	437,388	378,391
Investments	12	361,067	361,067
Cash at bank and in hand		561,532	330,784
		<u>1,359,987</u>	<u>1,070,242</u>
CREDITORS: amounts falling due within one year	13	<u>(897,683)</u>	<u>(817,051)</u>
NET CURRENT ASSETS		<u>462,304</u>	<u>253,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£2,881,186</u></u>	<u><u>£2,448,359</u></u>
FUNDS			
Unrestricted funds:			
General fund		<u><u>£2,881,186</u></u>	<u><u>£2,448,359</u></u>

The accounts were approved by the Board on 22 November 2005


 N K C Horlick (Chair)
 Governor


 R K Harrison
 Governor

The notes on pages 8 to 12 form part of these financial statements.

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2005

1. ACCOUNTING POLICIES

Basis of Preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The charity, has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

The accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000.

Incoming resources

Fees receivable and charges for services are accounted for in the year in which the services are provided. Fees receivable are stated after deducting allowances. The charity is not registered for value added tax.

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

The turnover is attributable to the principal activities of the charity, and is earned entirely within the UK.

Resources expended

Expenditure is accounted for on an accruals basis and is summarised under functional headings in the Statement of Financial Activities, with the irrecoverable element of value added tax included with the item of expense to which it relates.

Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Support costs are those costs incurred directly in support of expenditure on the object of the charity.

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 or revalued amounts (Since 1st September 1980)

Leasehold property 10% on cost

Furniture and equipment Furniture and equipment – 20% on cost

Computers – 33% on cost

Leasing and hire purchase commitments

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

Investments

Fixed assets and current asset investments are stated at market value.

Accumulated funds

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

The General fund represents funds available for use at the discretion of the governors in furtherance of the objects of the charity and which have not been designated for other purposes.

GLENDOWER SCHOOL TRUST LIMITED**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2005****1. ACCOUNTING POLICIES (continued)****Pensions**

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers Pension Agency. Contributions in 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 act 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 charity 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 charity also contributes to personal pension schemes for non-teaching staff.

Value Added Tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

2. FEES

	2005	2004
	£	£
Gross school fees	1,617,720	1,454,625
Less bursaries and allowances	(17,699)	(10,666)
	<u>£1,600,021</u>	<u>£1,443,959</u>

3. OTHER INCOME

	2005	2004
	£	£
Music lessons	8,970	7,110
Deposits retained	9,250	2,500
Registration fees	8,720	7,920
School Fees Protection and Personal Accident Policies	8,050	7,601
Additional Pupil Support	6,000	-
Swimming	12,522	3,570
Other	1,881	450
	<u>£55,393</u>	<u>£29,151</u>

4. INVESTMENT INCOME

	2005	2004
	£	£
Income from listed investments	13,871	20,734
Interest receivable	39,065	22,224
	<u>£52,936</u>	<u>£42,958</u>

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2005

5. TOTAL RESOURCES EXPENDED	Staff costs	Depreciation	Other Costs	Total 2005	Total 2004
	£	£	£	£	£
Charitable Expenditure:					
Teaching costs	865,424	-	132,406	997,830	911,898
Welfare costs	-	-	113,982	113,982	134,575
Premises costs	13,485	73,062	159,931	246,478	205,731
General support costs	90,927	-	72,923	163,850	142,735
Governance costs	-	-	11,144	11,144	6,693
Costs of Generating Funds:					
Investment management fees	-	-	6,769	6,769	3,249
Finance costs	-	-	1,805	1,805	1,608
	<u>£969,836</u>	<u>£73,062</u>	<u>£498,960</u>	<u>£1,541,858</u>	<u>£1,406,489</u>

Governance costs includes fees to the auditors of £5,100 (2004: £4,800) for audit. Amounts paid to the auditors for other services totalled £1,650 during the year (2004: £500).

6. GOVERNORS

During the year Governors were reimbursed expenses totalling £Nil (2004: £25). Three governors had children at the school and paid full fees. None of the Governors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Governors' liability insurance is provided by the school at cost of £160 per annum.

7. EMPLOYEES

	2005	2004
	£	£
Wages and salaries	806,707	766,182
Social security costs	70,113	67,316
Other pension costs	83,016	81,285
Ex gratia payment	10,000	-
	<u>£969,836</u>	<u>£914,783</u>

The average monthly number of employees during the year was:

	Number	Number
Teachers	22	23
Domestic	1	1
Administration	3	4
	<u>26</u>	<u>28</u>

The number of employees whose annual emoluments were £50,000 or more were:

	Number	Number
£60,000 - £70,000	1	1

During the year pension contributions payable by the school for employees earning between £60,000 and £70,000 totalled £8,438.

8. TAXATION

The School has no liability for taxation due to its charitable status.

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2005

9. TANGIBLE FIXED ASSETS	Land and Buildings £	Leasehold additions £	Furniture & Equipment £	Total £
Cost or valuation				
At 1 September 2004	1,069,533	195,442	514,084	1,779,059
Additions			12,715	12,715
At 31 August 2005	1,069,533	195,442	526,799	1,791,774
Depreciation				
At 1 September 2004	343,396	76,224	454,123	873,743
Charge for the year	21,390	19,542	32,130	73,062
At 31 August 2005	364,786	95,766	486,253	946,805
Net Book Value				
At 31 August 2005	£704,747	£99,676	£40,546	£844,969
At 31 August 2004	£726,137	£119,218	£59,961	£905,316

Comparable historical cost for the land and buildings included at valuation:

	2005 £	2004 £
Cost	819,533	819,533
Accumulated depreciation	(244,746)	(228,356)
At 31 August 2005	£574,787	£591,177

All other tangible fixed asset are stated at historical cost.

10. FIXED ASSET INVESTMENTS	2005 £
Market value at 1 September 2004	1,289,852
Acquisitions at cost	17,726
Change in value in the year	266,335
Market value at 31 August 2005	£1,573,913
Historical cost:	
At 31 August 2005	£1,282,377
At 31 August 2004	£1,264,651

UK listed investments are represented by:

Variable interest securities £289,450

Equity shares £1,261,602

Investments in individual entities held at 31 August 2005 which are over 5% of portfolio by market value are:

Barclays Sterling Call Fund £289,450

Selected Managed Portfolio Fund £1,261,602

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2005

11. DEBTORS	2005 £	2004 £
Fees charged in advance	422,605	350,000
Prepayments and accrued income	14,783	28,391
	<u>£437,388</u>	<u>£378,391</u>

12. CURRENT ASSETS INVESTMENTS

This represents a deposit with the Central Board of Finance of the Church of England.

13. CREDITORS: amounts falling due within one year	2005 £	2004 £
Taxes and social security costs	22,185	-
Fees charged in advance	624,239	548,779
Fee deposits	209,266	194,910
Other creditors	41,993	73,362
	<u>£897,683</u>	<u>£817,051</u>

14. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up and unable to meet its debts, the maximum liability of each member is £1.

15. COMMITMENTS UNDER OPERATING LEASES

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

	2005 £	2004 £
Expiry date: 2010		
Within one year	<u>£63,000</u>	<u>£63,000</u>