

Company House

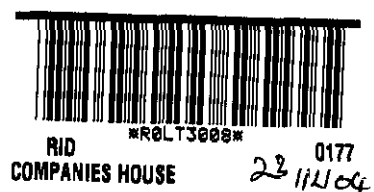
23-12-04

NEWLAND HOUSE SCHOOL TRUST LIMITED
(A Registered Company Limited by Guarantee)

GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2004

haysmacintyre
Chartered Accountants
London

Company Registered No. 1004580
Charity Registered No. 312670



GOVERNORS' REPORT**YEAR ENDED 31 AUGUST 2004****STATUS AND ADMINISTRATION**

Newland House School Trust Limited is incorporated as a company limited by guarantee, number 1004580 and is a registered charity, number 312670.

OBJECTS AND POLICY

The objects for which the trust is established are to promote and provide for the advancement of education and in connection therewith to conduct and carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either sex or both sexes. The schools policy is for preparatory school boys and girls to attain the highest academic levels whilst allowing them to benefit from our extra curricular programme and to develop their interests and prepare them for the senior school of their choice.

GOVERNORS

The Governors are the directors of the company and also the charity trustees and who served during the year and since were:

Sir Gordon Langley (Chairman)
Mrs J A Bowen
Miss E M Candy (resigned 24 November 2003)
Mrs S H Lloyd
D K Lowdell (appointed 5 January 2004)
S H R Musgrove
J A Peake
Lady (Hazel) Phillips
B Taylor

OFFICERS AND ADVISERS

Headmaster	D J Ott
Bursar and Company Secretary	C C Wyver
Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Bankers	Barclays Bank Plc Onslow Hall Little Green Richmond upon Thames Surrey TW9 1QS
Solicitors	Dawson & Co 2 New Square Lincoln's Inn London WC2

ORGANISATION

The governors determine the general policy of the school. The responsibility for academic standards and the day to day operation of the school is delegated to the Headmaster whilst the Bursar is responsible for financial, property and administration matters.

GOVERNORS' REPORT (Continued)**YEAR ENDED 31 AUGUST 2004****REVIEW OF ACTIVITIES AND FINANCIAL RESULTS**

The trust has continued to operate as a preparatory school and had boys and girls aged 4 to 13 years old. The net incoming resources for the year amounted to £382,363. £100,000 has been transferred to the designated fund for the replacement and improvement of leasehold property.

RESERVES POLICY

A designated fund, the property fund has been established by amounts appropriated out of income each year to provide a fund for the replacement and improvement of the existing properties and this is represented by the approximate level of the investment in the property and the investments which have been set aside for this purpose. All the school funds are unrestricted and its assets are sufficient to meet its obligations. The remaining funds are held in the General Fund which continues to be used to improve the facilities and all round educational service provided by the School.

FREEHOLD PROPERTIES

In the opinion of the governors the value of the freehold land and permanent buildings is substantially more than the book value but no useful purpose would be served by undertaking a revaluation.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, 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 financial statements 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVESTMENT POWERS, POLICY AND PERFORMANCE

The company's investment powers are governed by its Memorandum of Association, which permits investments in securities or property without any restrictions.

The Governors' policy continues to be to maintain its investments held in stocks and shares. The investment performance over the year was considered acceptable in the light of current market conditions.

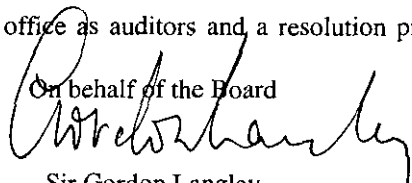
RISK ASSESSMENT

The Governors continue to keep the School's activities under review and consider the major risks faced in each of the principal areas of the School's operations. In the opinion of the Governors the charity 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.

AUDITORS

Messrs haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Waldegrave Park
Twickenham
Middlesex

On behalf of the Board

Sir Gordon Langley
Chairman of Governors

NEWLAND HOUSE SCHOOL TRUST LIMITED

We have audited the financial statements of Newland House School Trust Limited for the year ended 31 August 2004 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Governors' Responsibilities the charity's Governors are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Governors are also Directors of Newland House 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 Trustees' 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 August 2004 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.

haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2004

	Notes	School £	Unrestricted Designated £	2004 Total £	2003 Total £
INCOMING RESOURCES					
Fees receivable	2	2,879,650	-	2,879,650	2,641,703
Other income	3	31,341	-	31,341	34,130
Bank interest		68,161	-	68,161	55,384
Total Incoming Resources		2,979,152	-	2,979,152	2,731,217
RESOURCES EXPENDED					
Direct Charitable Expenditure:					
Teaching		1,830,916	-	1,830,916	1,771,599
Welfare		164,337	-	164,337	153,309
Premises		459,600	-	459,600	397,110
Support		208,936	-	208,936	188,560
Administration of the charity	6	13,603	-	13,603	10,902
Finance		4,000	-	4,000	4,000
Total Resources Expended		2,681,392	-	2,681,392	2,525,480
Net Incoming Resources before transfer		297,760	-	297,760	205,737
Unrestricted gain/(loss) on investments		84,603	-	84,603	51,675
Transfer between funds	11	(100,000)	100,000	-	-
NET INCOMING RESOURCES		282,363	100,000	382,363	257,412
Balances brought forward at					
1 September 2003		696,944	3,744,419	4,441,363	4,183,951
Balances carried forward at					
31 August 2004		£979,307	£3,844,419	£4,823,726	£4,441,363

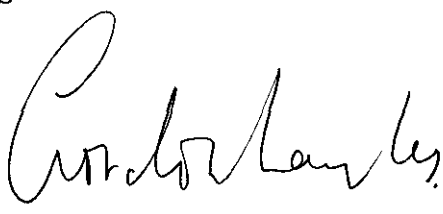
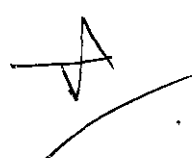
The accompanying notes form an integral part of these accounts.

There were no recognised gains and losses other than those shown on the above Statement of Financial Activities.

BALANCE SHEET

31 AUGUST 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	7	1,875,898	1,946,610
FIXED ASSET INVESTMENTS	8	2,489,651	2,280,049
CURRENT ASSETS			
Debtors -			
Fees and extras in arrear	9	4,735	(3,603)
Other debtors and prepayments		48,961	49,509
		<hr/>	<hr/>
		53,696	45,906
Cash at bank and in hand		902,487	975,811
		<hr/>	<hr/>
		956,183	1,021,717
CREDITORS - due within one year			
Fees cash received in advance		129,835	522,854
Other creditors	10	368,171	284,159
		<hr/>	<hr/>
		498,006	807,013
NET CURRENT ASSETS		<hr/>	<hr/>
		458,177	214,704
TOTAL ASSETS		<hr/>	<hr/>
		£4,823,726	£4,441,363
Represented by unrestricted funds:		<hr/>	<hr/>
GENERAL FUND		979,307	696,944
PROPERTY FUND	11	3,844,419	3,744,419
		<hr/>	<hr/>
TOTAL FUNDS		<hr/>	<hr/>
		£4,823,726	£4,441,363

Signed on behalf of the Board

Sir Gordon Langley)

) Governors

J A Peake)

15 November 2004

The accompanying notes are an integral part of this balance sheet.

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2004

	Notes	2004 £	2003 £
Net cashflow from operating activities	1	(4,485)	633,930
Returns from investments			
Deposit interest		68,161	55,384
Investing activities			
Treasury deposit additions		(125,000)	(498,363)
Purchase of fixed assets		(12,000)	-
		<u>(68,839)</u>	<u>(442,979)</u>
(Decrease)/Increase in cash and bank balances	2	<u>£(73,324)</u>	<u>£190,951</u>

NOTES

1. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004 £	2003 £
Net incoming resources	382,363	257,412
Depreciation charges	82,712	83,506
Bank interest and unrealised gain on investments	(152,764)	(107,059)
Debtors (increase)/decrease	(7,790)	17,751
Creditors (decrease)/increase	(309,006)	382,320
	<u>£(4,485)</u>	<u>£633,930</u>

2. ANALYSIS OF CHANGES IN CASH

	At 1 September 2003 £	Cash Flow £	At 31 August 2004 £
Cash in hand and at bank	<u>£975,811</u>	<u>£(73,324)</u>	<u>£902,487</u>

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 2004

1. ACCOUNTING POLICIES

a. Basis of Preparation:

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting by Charities" SORP 2000 and the Companies Act 1985. The particular accounting policies adopted are described below.

b. Turnover:

Turnover comprises fees, less scholarships and bursaries allowed and other income, from the school's continuing operations.

c. Depreciation:

Depreciation is provided on permanent buildings at two per cent per annum after allowing for £179,000 being the estimated cost of land included in the original purchase.

Short leasehold property is being depreciated over 50 years expiring on 2029, which is the term of the lease.

Depreciation is provided on other fixed assets to write off their cost over estimated useful lives at the following rates:

Furniture and equipment	- 15% on written down value
Motor vehicles	- 20% on cost
Computers	- 25% on cost

d. General Fund :

The general fund is unrestricted and represents accumulated surpluses and gifts received towards capital expenditure.

e. Property Fund:

Amounts are appropriated out of income each year to provide a designated fund for the replacement and improvement of properties.

f. Pension Costs:

The school operates a defined benefits, externally funded pension scheme covering the majority of its employees. Contributions are charged against the revenue account as they fall due.

g. Operating Lease Rentals:

Rentals paid in respect of assets held under operating leases are charged to the revenue account as they fall due.

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2004

2. FEES RECEIVABLE

	2004 £	2003 £
Tuition fees	2,937,030	2,699,010
Less: Scholarships and bursaries	(57,380)	(57,307)
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	£2,879,650	£2,641,703
	<hr/>	<hr/>

3. OTHER INCOME

	2004 £	2003 £
Registration fees	8,850	9,650
Rents and lettings	14,318	15,856
Extra tuition	3,588	-
Sundry income	4,585	8,624
	<hr/>	<hr/>
	£31,341	£34,130
	<hr/>	<hr/>

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Direct Charitable Expenditure				
Teaching	1,608,525	200,966	21,425	1,830,916
Welfare	-	164,337	-	164,337
Premises	98,253	300,060	61,287	459,600
Support	135,395	73,541	-	208,936
Administration of the charity	-	13,603	-	13,603
Finance	-	4,000	-	4,000
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,842,173	£756,507	£82,712	£2,681,392
	<hr/>	<hr/>	<hr/>	<hr/>

Other costs comprise:

	2004 £	2003 £
Educational Supplies	108,017	110,335
Games	87,550	81,488
Catering	163,898	152,625
Rent, rates insurance	141,035	112,788
Building, ground and household maintenance	76,735	83,156
Services	27,692	31,584
Professional	22,301	14,622
General	74,241	64,417
Major projects	55,038	33,025
	<hr/>	<hr/>
	£756,507	£684,040
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NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2004

7. TANGIBLE FIXED ASSETS

The movement of tangible assets was as follows:

	Freehold Land and Permanent Buildings £	Short Leasehold Property £	Furniture, Equipment and Computers £	Motor Vehicles £	Total £
COST					
At 1 September 2003	622,632	1,981,663	288,006	58,004	2,950,305
Additions	-	-	-	12,000	12,000
At 31 August 2004	622,632	1,981,663	288,006	170,004	2,962,305
DEPRECIATION					
At 1 September 2003	91,990	618,910	234,791	58,004	1,003,695
Charge for the year	8,873	52,414	21,425	-	82,712
At 31 August 2004	100,863	671,324	256,216	58,004	1,086,407
NET BOOK VALUE					
At 31 August 2004	£521,769	£1,310,339	£31,790	£12,000	£1,875,898
NET BOOK VALUE					
At 31 August 2003	£530,641	£1,362,751	£53,215	£-	£1,946,610

The leasehold property is held on a 50 year lease from 1 May 1979.

8. FIXED ASSET INVESTMENTS

	2004 £	2003 £
Market value at 1 September 2003	2,280,049	1,730,011
Additions	125,000	498,363
Disposals	-	-
Net unrealised gains on revaluation	84,602	51,675
Market Value at 31 August 2004	£2,489,651	£2,280,049
Cost at 31 August 2004	£2,400,000	£2,275,000
Investment classification		
Common Investment Fund	1,089,651	1,005,049
Treasury Deposits	1,400,000	1,275,000
	£2,489,651	£2,280,049

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2004

5. STAFF COSTS	2004 £	2003 £
Wages and salaries	1,528,905	1,499,441
Social security costs	181,445	120,354
Pension contributions	131,823	138,139
	<hr/>	<hr/>
	£1,842,173	£1,757,934
	<hr/>	<hr/>
	2004 No	2003 No
The average number of employees in the year was:		
Teaching	42	41
Others	13	12
	<hr/>	<hr/>
	55	53
	<hr/>	<hr/>

The Governors received no remuneration or reimbursement of expenses during the year.

One employee received remuneration exceeding £50,000 falling in the banding £50,000 - £59,999 during the year.

6. EXPENDITURE	2004 £	2003 £
Direct charitable expenditure includes:		
Management and Administration of the charity includes:		
Auditors remuneration - audit	7,400	7,050
- other	3,100	3,852
Governors liability insurance	300	300
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NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2004

9. DEBTORS FOR FEES AND EXTRAS IN ARREAR

These are stated after an amount set aside for doubtful debts of £14,042 (2003: £10,042).

10. CREDITORS - due within one year	2004 £	2003 £
Deposits	181,363	160,113
Trade creditors	34,370	17,847
Accruals	108,570	59,707
Other creditors	43,868	42,987
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	£368,171	£280,654
	<hr/>	<hr/>
11. PROPERTY FUND	2004 £	2003 £
Balance September 2003	3,744,419	3,644,419
Appropriation for year	100,000	100,000
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Balance 31 August 2004	£3,844,419	£3,744,419
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12. COMMITMENTS

The school had the following commitments under non-cancellable operating leases at August:

	2004		2003	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	-	-	-	3,361
Between two and five years	-	15,873	-	14,020
After five years	78,000	-	78,000	-
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NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2004

13. TAXATION

The company is a registered charity and taxation is not payable on its income.

14. PENSION COSTS

These are charged to the statement of financial activities as they arise.

The teaching staff are members of the Teachers' Superannuation Scheme which is a defined benefits scheme. The scheme is administered by the Teachers' Pension Agency. The agency instructs the school as to the level of employers' contributions which the school is obliged to make (currently 13.5%), but the school does not have any commitment to make good an actuarial deficit, nor is it entitled to benefit from surplus funding.

The school also contributes towards pensions for non-teaching staff in the form of employees' private pension schemes where the instalments are fixed to a percentage of salary and the school has no potential liability other than the payment of those instalments.

The pension cost charges represent the contributions paid by the School to the schemes and amounted to £131,823 (2003: £138,139).