

REGISTRAR OF COMPANIES

**St Philip's
School
Trust
Limited**

**Annual Report and Financial
Statements**

31 August 2007

SATURDAY



AOU08XUF

A23

08/03/2008

246

COMPANIES HOUSE

Company Limited by Guarantee
Registration Number
01789733 (England and Wales)

Charity Registration Number
288887

BUZZACOTT

Contents

Reports

Reference and administrative details of the charity, its governors and advisers	1
Governors' report	2
Independent auditors' report	7

Financial Statements

Statement of financial activities	9
Balance sheet	10
Principal accounting policies	11
Notes to the financial statements	13

Reference and administrative details of the charity, its governors and advisers

Governors	A Aylward J Dean G Edwards T MacFarlane Rev R McHardy J McIntosh OBE H Mould J Scanlan KCSG KGCHS P N White
Headmaster	H Biggs-Davison
Secretary	H Rennie
Registered principal office	6 Wetherby Place London SW7 4NE
Company registration number	01789733 (England and Wales)
Charity registration number	288887
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Bankers	HSBC Bank plc 95 Gloucester Road South Kensington London SW7 4SX
Accountants	SDK Educational Consultancy Ltd 2 nd Floor Marlborough House High Street Old Town Swindon Wiltshire SN1 3EP

Governors' report 31 August 2007

The Governors (who are also directors under Company Law) present their statutory report together with the financial statements of St Philip's School Trust Limited for the year ended 31 August 2007

The report has been prepared in accordance with Part VI of the Charities Act 1993

The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005

Governance, structure and management

Constitution and legal status

The charity is constituted as a Company limited by guarantee. The Governors, who are also members, are liable to contribute an amount not exceeding £1 each on the event of winding up

Governance

The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members are eligible to stand for re-election. Specific appointments are made to ensure that at least one member is recommended by the Oratory, Brompton Road

The Governors maintain overall responsibility for the School and its assets, and determine the general policy of the School

The day-to-day running of the School is delegated to the Headmaster and his senior management team

Governors

The Governors may appoint additional Governors under the terms of the Memorandum

The following officers were in office at 31 August 2007 and served throughout the year, except where shown

Governors	Appointed / Resigned
A Aylward	Appointed 13 September 2007
Dr P F Doherty	Resigned 13 September 2007
J Dean	
G Edwards	
T MacFarlane	
Rev R McHardy	
J McIntosh OBE (Chairman)	
H Mould	
J Scanlan KCSG KGCHS	
P N White	
Company secretary	
H Rennie	

Governance, structure and management (continued)

Governors (continued)

No Governor received any remuneration from the school during the year (2006 - £nil). During the year one Governor, who is also a parent, had children attending the school. Fees paid by the Governors are the same as fees paid by others. There were no outstanding amounts at the year end. No Governor had any other beneficial interest in any contact with the school during the year.

Statement of Governors' responsibilities

Company law requires the Governors (who are also the directors of the company for the purpose of the Companies Act) to prepare financial statements which give a true and fair view of the state of affairs of the school at the end of the financial year and of its surplus or deficit for the financial year. In preparing financial statements giving a true and fair view, 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 school will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the school and which enables them to ensure that the financial statements comply with the Companies Act 1985. The Governors 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.

Each of the Governors, in his or her capacity as a director of the school confirms that

- ◆ so far as the Governor is aware, there is no relevant audit information of which the school's auditors are unaware, and
- ◆ the Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the school's auditors are aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Recruitment and training of Governors

New members of the Board are inducted into the workings of the School, and also the Company as a registered charity. Training courses are organised by the Head and are attended as required.

Organisational management

The Board meets once a term to determine the general policy for the Trust and to review its overall management and control for which they are legally responsible.

Governance, structure and management (continued)

Risk management

The Governors have assessed the major risks to which the school is exposed, in particular those related to the operations and finances and they are satisfied that systems are in place to mitigate the exposure to major risks

Activities, specific objectives and relevant policies

Principal aims and objectives

The principal aims and objects of the school are the promotion and provision of the education of boys up to the age of 13

Strategic aim and intended effect

The school's strategic aim to reach its annual objective is the attainment of the highest academic levels whilst allowing pupils to benefit from our extra-curricular programme. This is intended to draw out their abilities and academic potential, awaken and develop wider interests in life and motivate them for a successful outcome at their chosen senior school. The pupils' moral, social and spiritual development is considered to be just as important as their academic progress.

Objectives for the year

The school'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 fully able to benefit from their chosen senior school for the completion of their education in due course. Our strategy for achieving this is to maintain a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

Grant making

We are now able to support twenty one pupils through our Bursary Scheme. This is available on a needs basis as determined by the Headmaster in consultation with the Governors.

Achievements and performance

Review of the year and future plans

The school has had an outstandingly successful year. Once again all our year 8 leavers passed Common Entrance into their chosen schools (which this year included Eton, St Paul's and Westminster), and all three boys who took the Winchester entrance exam passed impressively. Ofsted inspected us in May 2007 and deemed the education provided by the school as 'outstanding'.

Our future plans are to maintain the high standards of moral, spiritual and academic education recognised in the Ofsted report by continued practical and financial support of the Headmaster and staff.

The net surplus for the year was £72,314 (2006 - £67,196)

Achievements and performance (continued)

Fundraising performance

Considerable funds were raised for charities supported by the school, mainly through the efforts of the pupils themselves

Our Parents' Association Volunteers

Our Parents' Association helped the School's fundraising and cultural activities with many hours of voluntary service during the year, and the Board would like to thank the Parents for their valuable support to the school throughout the year, which is highly appreciated

Financial review

Results for the year

Incoming resources for the year were £1,114,186 (2006 - £1,013,718) Resources expended were £1,041,872 (2006 - £946,522) The net income for the year was £72,314 (2006 - £67,196)

Overall, the Governors consider the affairs of the charity to be satisfactory, but they are aware of potential financial issues facing the independent schools sector and the need constantly to monitor budgets and cash flow forecasts

Reserves policy and financial position

Reserves policy

The Governors have examined the requirement for free reserves (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) which they wish to increase so that in the future a larger school can be acquired

Financial position

The balance sheet shows total funds of £1,833,315

These funds are represented by a revaluation reserve, which represents the revalued amount of the school's freehold property, of £1,091,890 and a general fund of £741,425 Within the general fund, £269,991 represents funds deployed as part of the school premises and equipment, with the balance of £471,434 being 'free reserves' The level of free reserves represents approximately five month's expenditure

Fixed assets

The main asset of the school is the freehold building This was revalued by Kemsley Whiteley & Ferris on 7 February 2007 on the basis of existing use at £1,350,000

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements

Summary


St Philip's School has again had a good year and our thanks go to all those who have helped to achieve this, staff pupils and parents

Governors' report 31 August 2007

Auditors

On 30 September 2007, Buzzacott, the school's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Governors have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP. The Governors will propose a resolution for the re-appointment of Buzzacott LLP as auditors of the school.

Approved by the Governors and signed on their behalf by



Chairman

Approved by the Governors on 31 January 2008

Report of the independent auditors to the members of St Philip's School Trust Limited

We have audited the financial statements on pages 9 to 17 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 and 12

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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As described on page 3 the Governors, who are also the directors of St Philip's School Trust Limited for the purposes of company law are responsible for the preparation of the Governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information contained in the Governors' report is consistent with the financial statements.

In addition we report to you if in our opinion, 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 Governors' remuneration and other transactions is not disclosed.

We read other information contained in the Governors' report and consider whether it is consistent with the audited financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the 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.

Independent auditors' report 31 August 2007

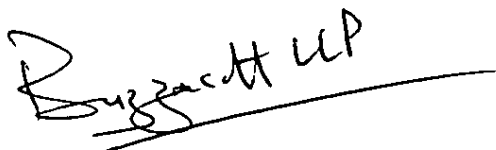
Basis of opinion (continued)

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

Opinion

In our opinion

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- ◆ the information given in the Governors' report is consistent with the financial statements



Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

31 January 2008

Statement of financial activities Year to 31 August 2007

	Notes	General fund £	Revaluation reserve £	Total 2007 £	Total 2006 £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
Voluntary income		11,440	—	11,440	43,391
Interest receivable		24,824	—	24,824	20,792
Incoming resources from charitable activities					
School fees receivable	1	1,077,922	—	1,077,922	949,535
Total incoming resources		1,114,186	—	1,114,186	1,013,718
Resources expended					
Charitable activities					
Cost of providing education	2	1,031,813	—	1,031,813	931,303
Governance costs	2	10,059	—	10,059	15,219
Total resources expended		1,041,872	—	1,041,872	946,522
Net incoming resources before revaluations	3	72,314	—	72,314	67,196
Statement of total recognised gains and losses					
Net gains		72,314	—	72,314	67,196
Property revaluation gains		—	—	—	350,000
Net movements in funds		72,314	—	72,314	417,196
Balances brought forward					
at 1 September 2006		669,111	1,091,890	1,761,001	1,343,805
Balances carried forward					
at 31 August 2007		741,425	1,091,890	1,833,315	1,761,001

There is no difference between the net movement in funds stated above, and the historical cost equivalent

All of the school's activities derived from continuing operations during the above two financial periods

Balance sheet 31 August 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible fixed assets	7		1,361,881		1,366,273
Current assets					
Debtors	8	20,210		8,416	
Short term deposits		450,000		480,000	
Cash at bank and in hand		192,857		126,720	
		<u>663,067</u>		<u>615,136</u>	
Creditors amounts falling due within one year	9	(191,633)		(220,408)	
Net current assets			471,434		394,728
Total net assets			<u>1,833,315</u>		<u>1,761,001</u>
Represented by					
Funds and reserves					
Unrestricted funds					
General fund			741,425		669,111
Revaluation reserve	10		<u>1,091,890</u>		<u>1,091,890</u>
			<u>1,833,315</u>		<u>1,761,001</u>

Approved by the Governors
and signed on their behalf by



Governor



Governor

Approved on 31 January 2008

Principal accounting policies 31 August 2007

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Companies Act 1985. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

Incoming resources

Incoming resources are recognised in the period in which the school is entitled to receipt and the amount can be measured with reasonable certainty.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a Cost of charitable activities i.e. the cost of teaching and support staff salaries, including pension and national insurance costs, books, games equipment and other tuition expenses.
- b Governance costs comprise the costs which are directly attributable to the procedures for compliance with statutory requirements.

The majority of costs are directly attributable to specific activities. All other support costs have been allocated to charitable activities.

Tangible fixed assets

All assets costing more than £600 and with an expected useful life exceeding one year are capitalised.

Freehold property

Depreciation is not provided on the freehold property as allowed by Financial Reporting Standard for Smaller Entities.

The freehold property is revalued periodically and surpluses and deficits are transferred to the revaluation reserve.

Other tangible fixed assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- ◆ Fixtures and equipment .. 25% per annum based on cost

Principal accounting policies 31 August 2007

Fund accounting

The revaluation reserve comprises the revalued amount of the school's freehold property. The value represented by such assets should not be regarded, therefore, as realisable.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the school's charitable objects.

Cash flow

The financial statements do not include a cash flow statement because the school, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Pension costs

Contributions in respect of the defined contribution scheme and the Teachers' Pension Scheme are charged to the income and expenditure account in the year in which they are payable to the scheme.

Operating lease commitments

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the term of the lease.

Notes to the financial statements 31 August 2007

1 Incoming resources from charitable activities

(a) School fees during the year were as follows

	2007 £	2006 £
Gross school fees	1,080,280	954,022
Release of cash deposits and registration fees	9,000	10,000
Less total bursaries, grants and allowances	(25,390)	(33,480)
	<u>1,063,890</u>	<u>930,542</u>
Add Bursaries, grants and allowances paid for by restricted funds	—	10,000
	<u>1,063,890</u>	<u>940,542</u>
Music fees	8,049	3,909
Other income	5,983	5,084
	<u>1,077,922</u>	<u>949,535</u>

(b) Grants paid for by restricted funds comprised

	2007 £	2006 £
Bursaries and discounts	—	10,000

During the year awards were made to 21 individuals (2006- 20 individuals)

2 Resources expended

	Grants payable £	Staff Costs £	Other £	Depreciation £	Total 2007 £	Total 2006 £
Cost of Charitable Activities						
School operating costs						
Teaching costs	—	602,023	50,602	—	652,625	597,299
Welfare costs	—	—	10,148	—	10,148	9,416
Premises	—	—	58,122	—	58,122	74,417
Sports Costs	—	—	58,565	—	58,565	48,277
Outings and Activities	—	—	23,103	—	23,103	36,987
Bursaries and discounts	—	—	—	—	—	10,000
Other costs direct costs	—	—	8,867	—	8,867	8,208
Support costs of schooling	—	142,309	68,613	9,461	220,383	146,699
	—	744,332	278,020	9,461	1,031,813	931,303
Governance costs	—	—	10,059	—	10,059	15,219
	—	744,332	288,079	9,461	1,041,872	946,522

Notes to the financial statements 31 August 2007

3 Net incoming resources

This is stated after charging

	2007 £	2006 £
Staff costs (note 4)	744,332	654,940
Auditors' remuneration (including VAT)		
- current year	7,344	8,200
- other services	705	705
Profit on disposal of fixed assets	—	(50)
Depreciation	9,461	9,901

4 Employees and staff costs

Staff costs during the year were as follows

	2007 £	2006 £
Wages and salaries	625,359	538,066
Social security costs	51,723	56,446
Other pension costs	67,250	60,428
	744,332	654,940

The average number of employees during the year, calculated on a full time equivalent basis, analysed by function, was as follows

	2007 Number	2006 Number
Teaching	15	14
Administration	2	3
	17	17

One employee earned between £60,000 and £70,000 during the year (2006 – one)

5 Governors' remuneration

None of the Governors received any remuneration in respect of their services during the year (2006 – £nil)

One governor, who is also a parent, had children attending the school. Fees paid by the Governors are the same as the fees paid by others. There were no outstanding amounts at the year end.

The school has purchased insurance to protect the school from any loss arising from the neglect or defaults of its Governors, employees and agents and to indemnify the Governors or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £3,281 (2006 – £4,710) and provides cover of up to a maximum of £2 million (2006 – £2 million).

Notes to the financial statements 31 August 2007

6 Taxation

St Philip's School Trust Limited is a registered charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

7 Tangible fixed assets

	Freehold Property £	Fixtures and equipment £	Total £
Cost			
At 1 September 2006	1,350,000	91,318	1,441,318
Additions	—	5,069	5,069
At 31 August 2007	1,350,000	96,387	1,446,387
At cost	258,110	96,387	354,497
At valuation	1,091,890	—	1,091,890
	1,350,000	96,387	1,446,387
Depreciation			
At 1 September 2006	—	75,045	75,045
Charge for year	—	9,461	9,461
At 31 August 2007	—	84,506	84,506
Net book values			
At 31 August 2007	1,350,000	11,881	1,361,881
At 31 August 2006	1,350,000	16,273	1,366,273

The school's freehold property at 6 Wetherby Place, London was revalued by Kemsley Whiteley & Ferris, Chartered Surveyors, on 7 February 2007 on the basis of its existing use at £1,350,000. The Governors are of the opinion that at 31 August 2007 this was the best estimate of the property's value.

At 31 August 2007 the school had capital commitments of £nil (2006 – £nil)

8 Debtors

	2007 £	2006 £
Due within one year		
Fees receivable	13,177	7,426
Prepayments and accrued income	7,033	990
	20,210	8,416

9 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	31,811	47,922
Fees received in advance	142,587	155,159
Social Security and other taxes	17,235	17,327
	191,633	220,408

Notes to the financial statements 31 August 2007

10 Revaluation reserve

	Total £
At 1 September 2006	1,091,890
Net movement in year	—
At 31 August 2007	1,091,890

Details of the revaluation of the School's freehold property are given in note 7

11 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted funds				
General fund	269,991	663,067	(191,633)	741,425
Revaluation reserve	1,091,890	—	—	1,091,890
	1,361,881	663,067	(191,633)	1,833,315

12 Liability of members

The members of the charitable company guarantee to contribute an amount not exceeding £1 each to the assets of the charitable company in the event of winding up

13 Teachers Pension Scheme (TPS)

The TPS is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local education authorities and also to teachers in many independent and voluntary-aided schools and establishments of further and higher education. Teachers are able to opt out of the TPS.

Although teachers are employed by local education authorities and various other bodies, their retirement and other superannuation benefits, including annual increases payable under the Pensions (Increases) Acts, are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the TPS, which is an unfunded scheme, teachers' contributions, on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

Under the definitions set out in Financial Reporting Standard 17, 'Retirement Benefits', the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the school has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out below the information available on the deficit in the scheme and the implications for the school in terms of the anticipated contribution rates.

Notes to the financial statements 31 August 2007

13 Teachers Pension Scheme (TPS) (continued)

Not less than every five years, the Government Actuary (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The latest actuarial valuation of the scheme was at 31 March 2004 and significant facts concerning the scheme are given below.

Latest actuarial valuation	31 March 2004
Actuarial method	Projected benefits
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Market value of assets at date of last valuation	£162,650m
Proportion of members' accrued benefits covered by the actuarial value of the assets	98.88%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 August 2005 to 31 December 2006 the employer contribution was 13.5%. The rate increase to 14% from 1 January 2007.