

Reg No:
576 922

TEMPLE GROVE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

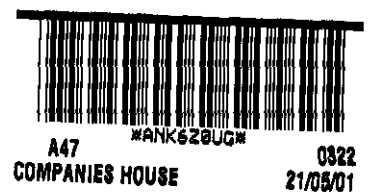
TRUSTEES' REPORT

AND ACCOUNTS

YEAR ENDED 31 AUGUST 2000

MacINTYRE & CO
CHARTERED ACCOUNTANTS
28 ELY PLACE
LONDON EC1N 6RL

Registered Company No: 576922
Registered Charity No: 307016



PROFESSIONAL ADVISORS AND KEY PERSONNEL

Headmistress J E Lee

Company Secretary P T Musgrove MBE (Appointed 19 July 2000)

Bankers National Westminster Bank Plc
49 High Street
Uckfield
East Sussex
TN22 1AN

Solicitors Lee Bolton Lee
1 The Sanctuary
Westminster
London
SW1P 3JT

Auditors MacIntyre & Co
28 Ely Place
London
EC1N 6RL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2000

The Trustees present their report and audited financial statements for the year ended 31 August 2000.

STATUS AND ADMINISTRATION

The company is limited by guarantee, number 576922 and is a charitable trust registered with the charity commission number 307016. The Trustees determine the general policy of the school. The day to day management of the school is delegated to the Headmistress.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was the running of an Independent Preparatory School.

REVIEW OF THE ACTIVITIES OF BUSINESS

In 1993, the trustees leased Temple Grove school to Mr and Mrs Lee for a 20 year period. This lease has now been vacated as of 31 December 1999 and the operation of the School has reverted back to the Trust with the payment of £84,235 to Mrs Lee. Mrs Lee remains as Headmistress.

A summary of the results of the trading for the year is given on page 5 of the financial statements.

The average number of pupils for the year was 148.

The net outgoing resources for the year amounted to £11,404 (1999: £26,355). Additions to fixed assets amounted to £104,767 (1999: £Nil).

The school has seen a steady rise of day pupils in the Pre-prep and the Preparatory School.

TRUSTEES

The Trustees are also the directors of the company. The Charity Trustees, who served during the year were:

Chairman	D A B Lough
Other Trustees	R C Atwood (Appointed 19 June 2000)
	R C Brewer (Resigned 19 June 2000)
	P R Brown
	Mrs K Franklin
	Miss C F H Gee LVO (Resigned 19 June 2000)
	C J Hall
	Mrs R E Hendley (Appointed 19 June 2000)
	M W L Weston (Resigned 30 June 2000)

ASSET COVER FOR FUNDS

Note 11 to the accounts sets out an analysis of the company's assets attributable to the various funds. These assets are sufficient to meet the company's obligations on a fund by fund basis.

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2000

RESERVES POLICY

In considering their reserves policy, the Trustees identified the need to accumulate free reserves for:

- the development of school facilities and that they may continue the orderly development and future growth of the school.
- to provide funds for further capital expenditure.

At 31 August 2000, the school had reserves of £516,720, of which £254,654 were designated funds.

The unrestricted funds are tied up in fixed assets and a further £104,767 had been expended on fixed assets which has been financed through loans for working capital.

The Trustees will review the reserves policy on an annual basis.

FUTURE DEVELOPMENTS

The Trustees in conjunction with the head plan to develop further the school facilities in the immediate future.

INDEMNITY INSURANCE

The school obtained Indemnity Insurance for Trustees from Holmwoods with a limit of £5m.

STATEMENT OF TRUSTEES RESPONSIBILITIES

Company law requires the Trustees 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 period. In preparing those financial statements, the Trustees are required to:

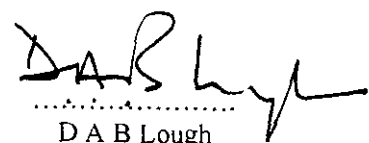
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The Trustees 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.

AUDITORS

The Trustees will place a resolution before the annual general meeting to re-appoint MacIntyre & Co as auditors for the ensuing year.

By order of the Board



.....
D A B Lough

TEMPLE GROVE SCHOOL TRUST LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 2 the company's Trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

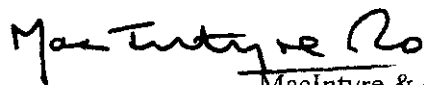
BASIS OF OPINION

We conducted our audit in accordance with 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 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 company's affairs as at 31 August 2000 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


MacIntyre & Co
Chartered Accountants
Registered Auditors

28 Ely Place
London
EC1N 6RL

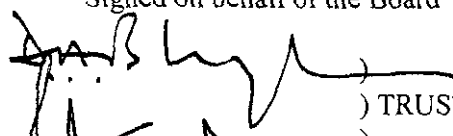
4 December 2000

BALANCE SHEET

AS AT 31 AUGUST 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	6		704,325		641,381
CURRENT ASSETS					
Debtors -					
Fees and extras in arrear		11,297		-	
Other debtors, stocks and prepayments		5,013		479	
Loan to St Nicholas		-		24,363	
Total debtors		16,310		24,842	
Cash at bank and in hand		43,436		-	
		59,746		24,842	
CREDITORS - due within one year					
Other creditors	7	42,018		73,657	
NET CURRENT ASSETS/(LIABILITIES)			17,728		(48,815)
Total assets less current liabilities			722,053		592,566
CREDITORS - due after more than one year					
Other creditors	8	(80,333)		(64,442)	
Secured loan	9	(125,000)		-	
			(205,333)		(64,442)
TOTAL NET ASSETS	11		£516,720		£528,124
UNRESTRICTED FUNDS					
- Designated	10		254,654		318,317
- General	10		262,066		209,807
			£516,720		£528,124

Signed on behalf of the Board


) TRUSTEES
)

4 December 2000

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

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2000

	2000	1999
	£	£
Net cash (outflow)/inflow from operating activities		
Net incoming resources	(11,404)	(26,355)
Depreciation	41,823	15,631
Interest paid	13,410	8,866
Interest received	(3,974)	(2,001)
Profit/(Loss) on sale of fixed assets	-	-
Decrease/(Increase) in debtors	8,532	2,213
Increase/(Decrease) in creditors	13,342	(5,920)
	<hr/> 73,133	<hr/> 18,789
Returns on investment and servicing on finance		
Interest paid	(13,410)	(8,866)
Interest received	3,974	2,001
	<hr/> (9,436)	<hr/> (6,865)
Capital expenditure		
Purchased of tangible fixed assets	(104,767)	-
Proceeds from sale of assets	-	-
	<hr/> (104,767)	<hr/> -
Net cash outflow before use of liquid resources and financing	<hr/> (52,474)	<hr/> (14,431)
Financing		
Loan received	125,000	-
Bank loan repaid	(5,000)	-
Finance lease	8,825	-
Deposits received	20,300	-
	<hr/> 149,125	<hr/> -
Increase/(Decrease) in cash	<hr/> £ 96,651	<hr/> £(14,431)

NOTES TO CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2000

A	2000 £	1999 £
Increase/(Decrease) in cash in the year	96,651	(14,431)
Cash outflow from increase in debt financing	(145,325)	9,674
	<hr/>	<hr/>
Change in net debt resulting from cash flows	(48,674)	(4,757)
Net debt at 1 September 1999	(134,579)	(129,822)
	<hr/>	<hr/>
Net debt at 31 August 2000	£(183,253)	£(134,579)
	<hr/>	<hr/>

B

ANALYSIS OF NET DEBT

	At 1 September 1999 £	Cash Flows £	At 31 August 2000 £
Cash and bank	-	43,436	43,436
Overdraft	(65,137)	53,215	(11,922)
Debt due after one year	(64,442)	(140,891)	(205,333)
Debt due within one year	(5,000)	(4,434)	(9,434)
	<hr/>	<hr/>	<hr/>
	£(134,579)	£(48,674)	£(183,253)
	<hr/>	<hr/>	<hr/>

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2000

	Notes	Unrestricted Funds £	Designated Funds £	2000 Total £	1999 Total £
INCOMING RESOURCES					
Fees receivable	1	561,899	-	561,899	-
Other income	2	42,602	-	42,602	58,769
Interest receivable	3	3,072	-	3,072	2,001
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		607,573	-	607,573	60,770
RESOURCES EXPENDED					
Direct Charitable Expenditure:	5				
Teaching costs		295,393	-	295,393	-
Welfare		66,278	-	66,278	-
Premises		104,646	-	104,646	58,423
Support costs		128,587	-	128,587	16,412
		<hr/>	<hr/>	<hr/>	<hr/>
		594,904	-	594,904	74,835
Other Expenditure					
Management and administration		24,073	-	24,073	12,290
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended	5	618,977	-	618,977	87,125
		<hr/>	<hr/>	<hr/>	<hr/>
Net Outgoing Resources before transfer		(11,404)	-	(11,404)	(26,355)
Transfer between funds		63,663	(63,663)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
NET (OUTGOING)/INCOMING RESOURCES		52,259	(63,663)	(11,404)	(26,335)
Balance brought forward at 1 September 1999		209,807	318,317	528,124	554,479
		<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 August 2000		£262,066	£254,654	£516,720	£528,124
		<hr/>	<hr/>	<hr/>	<hr/>

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The notes on pages 8 to 12 are an integral part of this statement.

YEAR ENDED 31 AUGUST 2000

ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities". The particular accounting policies adopted are described below.

a. Accounting Convention:

The accounts have been prepared under the historical cost convention.

b. Depreciation:

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

Freehold property	- 2% on cost
Plant and equipment	- 25% on cost
Computers	- 25% on cost

c. Funds:

Unrestricted Fund

Unrestricted funds comprise of the accumulated surplus or deficit from the Statement of Financial Activities which are not restricted nor designated. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated Fund

These are funds allocated by the board of Trustees for specific purposes.

d. Pension Scheme:

The school contributes to the Teachers Superannuation Scheme at rates set by the scheme actuary.

e. Incoming Resources:

Incoming resources comprises fees receivable from school activities less bursaries and allowances and other income derived from the schools continuing activities.

f. Resources Expended:

Resources expended is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

g. Hire Purchase and Lease Transactions:

Assets acquired under hire purchase agreements and finance leases are capitalised in the Balance Sheet and are depreciated in accordance with the charity's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest is charged to the Statement of Financial Activities over the term of the agreement.

Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.

1. FEES RECEIVABLE	2000 £	1999 £
Fees receivable consist of:		
- Gross fees	547,997	-
- Less: Total bursaries, scholarships and allowances	(20,669)	-
	<hr/>	<hr/>
	527,328	-
Other fees and disbursements	34,571	-
	<hr/>	<hr/>
	£561,899	£ -
	<hr/>	<hr/>

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2000

2.	OTHER INCOME	2000 £	1999 £
	Courses	10,741	-
	Lettings	27,280	58,750
	Miscellaneous	4,581	19
		<hr/>	<hr/>
		£ 42,602	£ 58,769
		<hr/>	<hr/>
3.	INTEREST RECEIVABLE	2000 £	1999 £
	Interest receivable on loan	593	2,001
	Bank deposits	1,625	-
	Late payment interest	854	-
		<hr/>	<hr/>
		£ 3,072	£ 2,001
		<hr/>	<hr/>
4.	RESOURCES EXPENDED	2000 £	1999 £
	Other expenditure includes:		
	Auditors Remuneration		
	- Audit	4,700	1,604
	- Other services	1,175	-
		<hr/>	<hr/>
	Total Staff Costs:		
	Salaries and wages	353,146	6,156
	Social security costs	25,400	-
	Pension contribution	22,254	-
		<hr/>	<hr/>
		£400,800	£ 6,156
		<hr/>	<hr/>
	The number of employees where emoluments exceeded £40,000 were:	2000 No	1999 No
		1	-
		<hr/>	<hr/>
	The average weekly number of employees during the year was made up as follows:		
	Teaching	18	-
	Other	19	1
		<hr/>	<hr/>
		37	1
		<hr/>	<hr/>

No remuneration or benefits were provided to any Trustees during the year other than the school purchasing Trustees indemnity insurance for £325 (1999: £Nil).

No travel expenses were reimbursed to any Trustee.

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2000

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Direct charitable expenditure:				
Teaching costs	278,370	17,023	-	295,393
Welfare	50,925	15,353	-	66,278
Premises	19,622	69,393	15,631	104,646
Support costs	51,883	50,512	26,192	128,587
	<hr/>	<hr/>	<hr/>	<hr/>
	400,800	152,281	41,823	594,904
Other Expenditure:				
Management and administration	-	24,073	-	24,073
	<hr/>	<hr/>	<hr/>	<hr/>
	£400,800	£176,354	£ 41,823	£618,977
	<hr/>	<hr/>	<hr/>	<hr/>

6. TANGIBLE FIXED ASSETS

The movement of tangible fixed assets were as follows:

	Freehold Property £	Portable Buildings £	Plant and Equipment £	Motor Vehicles and Garden Equipment £	Computers £	Total £
COST						
At 1 September 1999	830,542	20,889	-	20,166	-	871,597
Additions - general	-	-	11,098	-	9,434	20,532
- on acquisition	-	-	84,235	-	-	84,235
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2000	830,542	20,889	95,333	20,166	9,434	976,364
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
At 1 September 1999	189,162	20,888	-	20,166	-	230,216
Charge for the year	15,631	-	23,833	-	2,359	41,823
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2000	204,793	20,888	23,833	20,166	2,359	272,039
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE						
At 31 August 2000	£625,749	£ 1	£ 71,500	£ -	£ 7,075	£704,325
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1999	£641,380	£ 1	£ -	£ -	£ -	£641,380
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of plant and equipment and computers at 31 August 2000 includes £3,094 and £6,430 respectively for assets held under finance leases. Depreciation charged against these assets for the year was £3,174.

Under the transitional provisions of FRS 15 (Tangible Fixed Assets) the book value of freehold property of £830,542 is to be retained and no further revaluations will take place.

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2000

7. CREDITORS - due within one year	2000 £	1999 £
Pupil deposits	3,800	-
Bank loan (secured)	5,000	5,000
Hire purchase	4,434	-
Bank overdraft (secured)	11,922	65,137
Trade creditors	3,491	-
Other creditors and accruals	13,371	3,520
	<hr/>	<hr/>
	£ 42,018	£ 73,657
	<hr/>	<hr/>
8. CREDITORS - due after more than one year	2000 £	1999 £
Pupil deposits	16,500	-
Bank loan (secured)	59,442	64,442
Hire purchase	4,391	-
	<hr/>	<hr/>
	£ 80,333	£ 64,442
	<hr/>	<hr/>
9. SECURED LOAN	£	
At 1 September 1999	-	
Received in the year	125,000	
	<hr/>	
At 31 August 2000	£125,000	
	<hr/>	

The capital is repayable by 10 equal instalments beginning on the 30 December 2004.

Interest is payable at a rate of 1% per annum above the base lending rate of National Westminster Bank plc.

The loan is secured on the freehold property of the charity.

10. UNRESTRICTED FUNDS	Unrestricted General £	Designated £	Total £
Balance at 1 September 1999	209,807	318,317	528,124
Net movement in the year	(11,404)	-	(11,404)
Transfer between funds	63,663	(63,663)	-
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2000	£262,066	£254,654	£516,720
	<hr/>	<hr/>	<hr/>

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2000

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted				
- Designated	254,654	-	-	254,654
- General	449,671	17,728	(205,333)	262,066
	<hr/>	<hr/>	<hr/>	<hr/>
	£704,325	£ 17,728	£(205,333)	£516,720
	<hr/>	<hr/>	<hr/>	<hr/>

12. TAXATION

The company is a registered charity and no taxation is payable on its income.

13. CAPITAL COMMITMENTS

Operating Leases

At 31 August 2000 the School had the following annual commitment under non-cancellable operating leases.

	2000 £	1999 £
Within one year	-	-
Within two to five years	1,564	-
Thereafter	-	-
	<hr/>	<hr/>