

Charity number: 307016
Company Registration No. 576922

**TEMPLE GROVE SCHOOL TRUST
LIMITED (A COMPANY LIMITED BY
GUARANTEE)**

**TRUSTEES REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2008**

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TEMPLE GROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)
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TEMPLE GROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2008

Trustees D. A. B. Lough, Chairman
R. C. Atwood
P. R. Brown
S. Brewer
J. C. Dalton (appointed 25/02/2008)
R. K. Rice
R. J. W. Rickman (appointed 18/08/2008)
O. Skeen

Company registered number 576922

Charity registered number 307016

Registered office Breakstones
Speldhurst Road
Langton Green
Tunbridge Wells
Kent
TN3 0JL

Company secretary R. C. Atwood

Trust Executive A. M. Jones

Auditors Creaseys LLP
Chartered Accountants
Registered Auditors
12 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1PA

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

Solicitors Warners Law LLP
Bank House
Bank Street
Tonbridge
Kent
TN9 1BL

TEMPLE GROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2008

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements of Temple Grove School Trust Limited (the company) for the year ended 31 August 2008. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

- **Constitution**

Temple Grove School Trust Limited is a company limited by guarantee, number 576922, and is a charitable trust registered with the charity commission number 307016. The Trust is governed by its Memorandum and Articles of Association dated 7 January 1957 as subsequently updated and amended. The Trustees determine the general policy of the trust.

- **Method of appointment or election of Trustees**

Trustees are appointed in accordance with the Company's Articles of Association, and the Policies and Procedures as adopted by the Board of Trustees from time to time.

- **Policies adopted for the induction and training of Trustees**

New trustees are rehearsed in the Charity's principal objectives and governance matters. All Trustees are kept up to date with circulars from the Charity Commission and others on matters concerning governance in general and relating to the Charity's objectives in particular.

- **Risk management**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and activities

- **Objectives**

The object of the charity is:

The advancement of education of children and students for the public benefit in particular but without limitation, establishing, maintaining, funding or managing a preparatory school, senior school or college.

The Trustees current objectives are as follows:

To inspire the spread of excellence in primary education in England by bringing together the best people and features from the private and public sectors

To jointly sponsor together with Haberdashers Askes Federation the opening of the primary age section of three new all-through academies in south London.

To participate in a joint venture with East Sussex County Council designed to pilot a "virtual" Centre of Excellence for Gifted and Talented pupils drawn from both private preparatory and state primary schools within East Sussex.

To consider the future viability of the East Sussex joint venture project (known as Flying High) with a view to

TEMPLE GROVE SCHOOL TRUST LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2008

potentially rolling out the project across the whole county and possibly eventually nationwide.

To manage the Trust's liquid resources through short term deposits with reputable institutions and to utilise the income from these deposits to support the general running costs of the Trust and to make grants to the Flying High project.

To consider the restructuring of the Trust to assist in the efficient performance of the above objectives, the resourcing of governance and Trustee positions to make its work lasting and to better position the Trust for fund raising activities from past pupils of Temple Grove School and others.

- **Strategies for achieving objectives**

The Trustees' strategy is to involve former pupils of Temple Grove School in the governance and trusteeship of its schools and projects so that Temple Grove's historic values as a place of learning can be transmitted and sustained.

The Trustees have agreed to appoint an experienced employee to oversee the execution of their objectives, and to take advice from appropriate professionals where necessary.

The Trustees also acknowledge that working in partnership with other charities or organisations and with professional management will be the best way to obtain maximum value from their resources, and have adopted this as a strategic direction for the Trust.

- **Activities for achieving objectives**

The Trustees have been involved in detailed discussions concerning the establishment of formal arrangements for their sponsorship grant to the first of the three proposed academies. The primary campus of this academy is now known as Hatcham Temple Grove. Preliminary discussions have also taken place concerning the remaining two academies. Professional advice has been sought and obtained from the Mercers Company.

The Trustees have chaired a Steering Group including their partners – East Sussex County Council - responsible for the implementation of the Flying High project, the evaluation of its results and the potential further roll-out in due course. Professional advice has been sought and obtained from the Mercers Company.

The Trustees have agreed to appoint a part time employee as Trust Executive to manage the various activities of the Trust, to consider the issue of future fund raising, and to progress the proposed restructuring of the Trust.

The Trustees continue to use the services of one of their number to manage the accounting and finances of the Trust including the investment of its liquid resources.

- **Grant making policies**

The Trustees have agreed a policy of making three equal separate endowments to the three proposed all-through academies amounting in total to approximately half their current reserves.

The Trustees have agreed to make non refundable grants to the Flying High project on a termly basis over the duration of the pilot project which is estimated to run for two years. These grants will be made out of surplus income where available. The basis for any further grants should the project be rolled out further has not yet been decided.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2008

Achievements and performance

- **Review of activities**

The Trustees have continued to hold appropriate detailed discussions concerning the planning, direction and recruitment of professional personnel for all-through academies. Since the end of the year, they have endowed the first such academy with an amount of £500,000, the income from which is to be used to provide supplemental activities and materials to the primary age children which would not otherwise be available from state funded sources. The Trust has also appointed a Governor to that academy. Further similar activity continued in respect of the other two proposed academies.

The Trustees have convened, chaired and attended regular steering group meetings in respect of the Flying High project. Some project activity took place during the academic year 2007/08, the cost of which was contributed equally by the Trust and East Sussex County Council. This was judged to be a success. Since the end of the year a formal project launch event has taken place and budgets have been set for contributions throughout the 2008/09 academic year. A formal evaluation process has also been set up so that the success of the project can be properly and objectively measured.

During the year the Trustees recruited and appointed a Trust Executive who is responsible for the coordination and overall management of all the Trust's activities. In addition to the project work mentioned above, the Executive has started to look into potential new fund raising activities and the restructuring of the Trust along "Livery Company" lines. Legal advice has been sought where necessary.

- **Investment policy and performance**

The Trustees have continued with their policy of investing their reserves in short term cash deposits. They believe that this policy best matches the requirements of their current activities and minimises the risks inherent in the present unstable markets.

The policy is to invest for terms not exceeding three months after taking into account forward interest rates and the Trust's forecast cash flows. Investment is divided roughly equally between two prime banking institutions whose credit ratings are kept under regular review. Investment performance is dictated by fluctuating forward interest rates, and interest received to date has been in line with forecasts. The Trustees acknowledge the fact that this policy will result in a decline in income in the future due to the collapse of bank base rates, at least in the short to medium term.

Financial review

- **Reserves policy**

The Trustees have placed the reserves, which are currently represented mainly by cash, on suitable short term interest earning deposit accounts. The Trustees have agreed to use some or all of the interest so earned in defraying the cost of furthering its overall objectives, including payment for consultancy or research work as appropriate. They have also agreed to consider making appropriate grants or financing of other short term activities out of any interest surpluses remaining. It is the Trustees' intention that the principal reserve sum should be utilised in funding suitable educational establishments or projects, when such are identified and agreed.

In furtherance of these objectives the Trustees have decided to allocate the following amounts to "Designated Funds":

- The sum of £1,500,000 for the benefit of the Academies Project representing three endowments of £500,000 each in respect of three new all-through academies.
- The sum of £180,000 to fund the Trust's share of the "Flying High" project costs during the initial pilot stages.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2008

The Trustees have not yet designated the balance of its funds but are satisfied that these are at a level sufficient to cover the Trust's ongoing day to day obligations for a foreseeable period. The Trustees continue to search for suitable projects, within its overall objectives, which will benefit from these funds.

• Results for the year

A summary of the results of the activities for the year is given on page 9 of the financial statements. The net incoming resources for the year amounted to £84,945, comprising interest on the Trust's cash deposits less expenditure on generating funds and charitable activities, compared to £115,121 in 2007 when no expenditure on charitable activities had been incurred.

Future developments

The Trustees plan to continue with the sponsorship of primary age sections of all-through academies and with the Flying High project as outlined above.

For the academies project, the Trust is expected to have continued involvement through the management of the endowment funds and the appointment of governors and committee members.

The Flying High project will only be rolled out provided that the next formal assessment shows that it is meeting the Trust's objectives. Should this be so, then further decisions will be needed from both the Trust and East Sussex County Council in respect of funding after the end of the 2008/09 academic year, and in respect of the search for further funding sources so that the project may become self sustaining in the future. Should the project be abandoned, the Trustees will pursue alternative ideas for grant making out of available income or reserves.

The Trust Executive will continue to progress the restructuring of the Trust along Livery company lines and will in due course examine fund raising initiatives involving past staff and pupils of Temple Grove School. These two projects will be interlinked, with the objective of developing a pool of future resource both in terms of funding and in terms of educational experience and expertise.

The Trustees have noted with interest that some politicians are supporting the idea that Charities may in future be able to establish and govern primary schools using access to public funds. The Trustees intend to be in a position to take advantage of these developments should they occur.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2008

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.

Provision of information to auditors

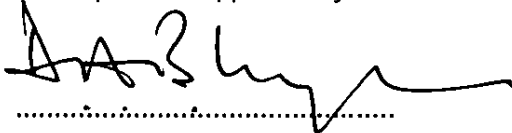
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

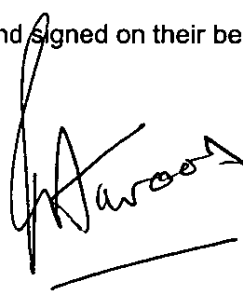
- so far as that Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Creaseys LLP, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees on 18/8/08 and signed on their behalf, by:


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TEMPLE GROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEMPLE GROVE SCHOOL TRUST LIMITED

We have audited the financial statements of Temple Grove School Trust Limited for the year ended 31 August 2008 set out on pages 9 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

Respective responsibilities of Trustees and auditors

The responsibilities of the Trustees (who also act as company directors of Temple Grove School Trust Limited for the purposes of company law) for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Trustees' responsibilities.

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 whether the information given in the Trustees' annual report is consistent with the financial statements.

In addition we report to you if, in our opinion, the 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 company is not disclosed.

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

Basis of audit 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 judgments 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.

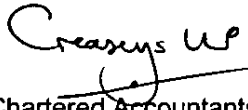
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEMPLE GROVE
SCHOOL TRUST LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' annual report is consistent with the financial statements.



Chartered Accountants
Registered Auditors

12 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1PA

Date: 20th March 2009

TEMPLE GROVE SCHOOL TRUST LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2008

	Note	Unrestricted Funds 2008 £	Unrestricted Funds 2007 £
Incoming resources			
Incoming resources from generated funds:			
Investment income		165,068	138,538
Other incoming resources		-	6
Total incoming resources		<u>165,068</u>	<u>138,544</u>
Resources expended			
Costs of generating funds:			
Finance costs		247	234
Administrative expenditure	2	7,330	11,366
Premises costs		-	8,657
Charitable activities:	3		
Sponsorship of academies		33,371	-
Partnership projects		31,120	-
Governance costs	6	8,055	3,166
Total resources expended		<u>80,123</u>	<u>23,423</u>
Movement in total funds for the year - Net income for the year		<u>84,945</u>	<u>115,121</u>
Total funds at 1 September 2007		<u>2,838,534</u>	<u>2,723,413</u>
Total funds at 31 August 2008		<u><u>2,923,479</u></u>	<u><u>2,838,534</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 to 15 form part of these financial statements.

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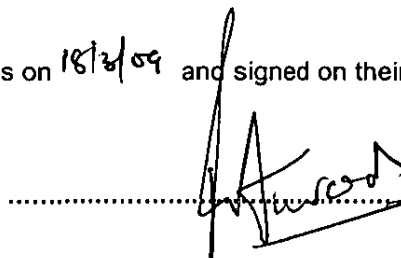
BALANCE SHEET
AS AT 31 AUGUST 2008

	Note	£	2008 £	£	2007 £
Current assets					
Debtors	9	14,112		23,921	
Cash at bank and on deposit		2,927,989		2,833,230	
		<u>2,942,101</u>		<u>2,857,151</u>	
Creditors: amounts falling due within one year	10	<u>(18,622)</u>		<u>(18,617)</u>	
Net current assets			<u>2,923,479</u>		<u>2,838,534</u>
Total assets less current liabilities			<u>2,923,479</u>		<u>2,838,534</u>
Charity Funds					
Unrestricted funds	11		<u>2,923,479</u>		<u>2,838,534</u>
			<u>2,923,479</u>		<u>2,838,534</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Trustees on 18/2/09 and signed on their behalf, by:


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The notes on pages 11 to 15 form part of these financial statements.

TEMPLE GROVE SCHOOL TRUST LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The company is a charitable trust, does not have a share capital and is limited by guarantee. HM Revenue & Customs has agreed that the company is considered to be established for charitable purposes only and that it is entitled to relief from tax under Section 505, Income and Corporation Taxes Act 1988.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income is accounted for on an accruals basis

1.5 Resources expended

All costs are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered.

Costs of generating funds includes costs incurred in managing the Trust's investments.

Charitable expenditure includes grants payable directly attributable to activities, and support costs allocated to activities on a basis consistent with the use of the resources. Support costs are those costs incurred directly in support of expenditure on the objects of the Trust.

Governance costs include those costs associated with constitutional and statutory requirements including the preparation, and external audit, of the statutory accounts.

TEMPLE GROVE SCHOOL TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

2. Costs of generating funds - administrative expenses

	Unrestricted Funds 2008 £	Unrestricted Funds 2007 £
Direct costs	2,677	11,366
Support costs (Note 5)	4,653	-
	<u>7,330</u>	<u>11,366</u>

3. Analysis of resources expended by activities

	Grant funding of activities 2008 £	Support costs 2008 £	Total 2008 £	Total 2007 £
Sponsorship of academies	-	33,371	33,371	-
Partnership projects	8,200	22,920	31,120	-
Total	<u>8,200</u>	<u>56,291</u>	<u>64,491</u>	<u>-</u>

4. Grants to institutions

	Unrestricted Funds 2008 £	Unrestricted Funds 2007 £
East Sussex County Council Flying High Project	<u>8,200</u>	<u>-</u>

5. Support costs

	Basis of Allocation	Costs of generating funds £	Sponsor- ship of academies £	Partnership projects £
Administrative expenditure	Time spent	422	429	389
Legal and professional fees	Actual	3,053	30,587	20,175
Wages and salaries	Time spent	1,075	2,150	2,150
National insurance	Time spent	103	205	206
		<u>4,653</u>	<u>33,371</u>	<u>22,920</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

5. Support costs (continued)

	Governance	Total 2008	Total 2007
	£	£	£
Administrative expenditure	380	1,620	-
Legal and professional fees	-	53,815	-
Wages and salaries	-	5,375	-
National insurance	-	514	-
	<u>380</u>	<u>61,324</u>	<u>-</u>

6. Governance costs

	Unrestricted Funds 2008	Unrestricted Funds 2007
	£	£
Audit and accountancy fees	3,520	3,166
Legal fees	4,155	-
Support costs	380	-
	<u>8,055</u>	<u>3,166</u>

7. Auditors' remuneration

	2008	2007
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	2,000	1,800
Fees payable to the company's auditor and its associates in respect of:		
All other services	<u>1,520</u>	<u>1,366</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

8. Staff costs and transactions with trustees

Staff costs were as follows:

	2008 £	2007 £
Wages and salaries	5,375	-
Social security costs	514	-
	<u>5,889</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	2008 No.	2007 No.
Trust executive	<u>1</u>	<u>0</u>

No employee received remuneration amounting to more than £60,000 in either year.

As permitted by the charity's governing document and authorised by the Charity Commission, one trustee, Mr. R. C. Atwood, received £11,281 (2007: £10,649) during the year for professional services relating to the management and administration of the Trust. Travel and other out of pocket expenses amounting to £764 were reimbursed to two trustees.

9. Debtors

	2008 £	2007 £
Interest receivable	13,434	19,388
Other debtors and prepayments	678	4,533
	<u>14,112</u>	<u>23,921</u>

10. Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	1,579	183
Social security and other taxes	1,354	-
Other creditors and accruals	15,689	18,434
	<u>18,622</u>	<u>18,617</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

11. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Academies project	-	-	-	1,500,000	1,500,000
Flying High project	-	-	-	180,000	180,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,680,000</u>	<u>1,680,000</u>
General funds					
General funds	2,838,534	165,068	(80,123)	(1,680,000)	1,243,479
	<u>2,838,534</u>	<u>165,068</u>	<u>(80,123)</u>	<u>-</u>	<u>2,923,479</u>
Total unrestricted funds	<u>2,838,534</u>	<u>165,068</u>	<u>(80,123)</u>	<u>-</u>	<u>2,923,479</u>

The Academies project represents funds designated to three endowments of £500,000 each in respect of three new all through academies.

The Flying High project represents funds designated to project costs during the initial pilot stages.