

TUESDAY



A27 *A25GNZA2* 02/04/2013 #60
COMPANIES HOUSE

**TOWN CLOSE HOUSE
EDUCATIONAL TRUST
LIMITED**
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2012

Company registered number 940118
Charity registered number 311293

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

Trustees and directors

Mr N B Q Back
Mr J R L Beck (Chairman until 31 July 2012)
Mr D J H Bolton (Chairman from 1 August 2012)
Mrs C R Costello
Mr P C Easter
Ms S Jack
Dr J M Leach
The Honourable G C Mackintosh
Mrs S Smart
Mr P Taylor

Secretary and bursar

Mrs B Ogg

Bankers

Handelsbanken
49 Colegate
Norwich
Norfolk
NR3 1DD

Auditor

Larking Gowen
Chartered Accountants & Statutory Auditors
King Street House
15 Upper King Street
Norwich
Norfolk
NR3 1RB

Solicitors

Leathes Prior
74 The Close
Norwich
Norfolk
NR1 4DR

Registered office address

Town Close House Educational Trust Limited
14 Ipswich Road
Norwich
NR2 2LR

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

INDEX	PAGE
Trustees' annual report	1 - 5
Independent auditor's report	6 - 7
Principal accounting policies	8 - 9
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Reconciliation of net cash flow to movement in netdebt	12
Notes to the trustees' annual report and financial statements	13 - 22

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' ANNUAL REPORT

The Trustees present their report and audited financial statements for the year ended 31 July 2012, which comply with the requirements of the Charities Acts 1993 and 2006, with other current statutory requirements and with the requirements of the charity's governing document. The Trustees have adopted the provisions of the 2005 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Principal activity and status

Town Close is an independent preparatory school, established in 1932 and, as Town Close House Educational Trust Limited, providing day education for girls and boys between the ages of 3 and 13. The Trust is a company limited by guarantee (company number 940118), incorporated upon trusts set out in the scheme of the Charity Commission dated 7 October 1968 (registered charity number 311293).

Mission and objectives of the School

The Trust is governed by its Memorandum and Articles of Association. These were last amended on 9 September 2011 in order to change the format to that specified by the Companies Act 2006 and to allow for more up to date working practices such as the use of electronic communications. The amendment also enabled the Trust to revise its primary objects from being "to acquire and carry on in the United Kingdom any boarding or day school or schools for the education of either sex or both sexes", specifying particularly Town Close House Preparatory School, Norwich, to "for the public benefit to advance education of young people (under the age of 21 through the provision, support, conduct and maintenance of a day and/or boarding school or schools and such other ancillary educational activities and other associated activities for the benefit of the community". In furtherance of these objects, Town Close aims by the education of its pupils to develop in all an awareness of their full potential and to enable and encourage them to strive to attain this potential, equipping them with the intellectual, emotional and physical attributes, and moral and spiritual values, that they need to live their lives fruitfully.

Structure, Governance and Management

The Trustees are the Governors of the School and Directors of the Company. (The single term 'trustee(s)' is used in this annual report in describing the discharging of their various duties.)

The Trustees who served during the year ended 31 July 2012 were as follows:

NBQ Back
JRL Beck* (Chair)
DJH Bolton*
CR Costello
PC Easter*
Dr JM Leach*
S Smart
S Jack
Hon GC Mackintosh
P Taylor

(* indicates membership of the Finance & General Purposes Committee during the year ended 31 July 2012)

Trustees retire from office by rotation and are eligible for re-appointment in accordance with the Articles of Association. Appointments to vacancies arising during the year are made by the Trustees on the recommendations of the Nominations Committee. This committee's functions include reviewing the composition of the Governing Body and its sub-committees, and overseeing succession planning and members' induction, training and development. Trustees receive at least termly reports from the Headmaster on the work of the School, and these are supplemented by briefing materials circulated from time to time by the Bursar (who is also Clerk to the Governors). Governing body meetings are in many cases preceded by information sessions from staff on aspects of the School's academic and other activities. Trustees liaise with staff by attendance at School events and activities, and individual governors attend occasional national and/or local training and information seminars and workshops.

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' ANNUAL REPORT

The Trustees, meeting formally as the Governing Body at least three times a year and guided by the Finance and General Purposes Committee, determine the general policy of the School, review its overall management and control, and oversee regulatory compliance in accordance with the terms of its registration with the Department for Education. The day-to-day affairs of the School are run by the Headmaster, with the support of his Senior Management Team, and by the Bursar – a key member of that team.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken. A working group of the Governing Body has specific responsibility for oversight of this area, and the Trust has continued to review its activities in the light of the Charity Commission's guidance papers, of the published details of Public Benefit Assessment Reports at a number of schools, and of views expressed in the context of the continuing national discussion of these matters. It awaits with interest the outcome of the consultation on the amended version of the Commission's guidance.

The provision of education to a large number of pupils remains the Trust's core charitable purpose and activity and its fundamental contribution to public benefit. In a practice which accords with principles set out in the Charity Commission's general guidance on public benefit, Town Close has for some years provided bursary assistance to the parents of a number of pupils who are unable to pay the full fees, and has a meanstested framework for providing such assistance. This has been applied in respect of pupils already in the School and to new admissions. Recipients of bursary awards are spread throughout the School, with six pupils receiving at least 75% fees remission in the current year, including two receiving 100% remission. Further review and refinement of the Bursaries policy will await the revised Charity Commission guidance referred to above.

More broadly, the Trust has provided public benefit by opening the School's sports and other facilities to outside users, including school-age children, some usage being without charge. In addition to the growing demand for such access arising from the commissioning in the past two years of the Sports Hall and of the Read Hall for the performing arts, the new Astroturf provides a programme of educational and sporting use by outside parties. This is a joint development with a local sports club (Norwich Dragons Hockey Club) and a local maintained sector school (The Hewett School), and Town Close's substantial contribution to the development is enabling the partner school to extend hockey provision to pupils for whom there was previously little or no opportunity, and enabling the partner hockey club to run sessions introducing the sport to local children. Other activities by means of which Town Close has provided public benefit consistent with its aims and objectives have included the provision of work experience placements for pupils from maintained sector schools.

Strategic objectives and achievements

Following a decision made at a series of strategy meetings held in the last financial year, specialist advisers were engaged to assist in the process of reviewing all aspects of the School's marketing and recruitment strategy and operations with a view to raising Town Close's profile among its core target audience and broadening and strengthening its share of the market for preparatory school education. As a result of the work carried out with these advisers, a new joint role of Marketing and Admissions Manager was established and filled and the School's website was re-launched. A new brand descriptor was adopted and is being used on all advertising and marketing material produced by the School.

With a view to making the fullest possible use of the Read Hall's facilities by all parts of the School, a specialist dance teacher position has also been established and filled. This has allowed the provision to be part of the Pre Prep Department curriculum as well as being offered as an extracurricular activity, supplementing the provision already available in the Prep Department.

The arrangements for working in partnership with the Hewett School and Norwich Dragons Hockey Club in use of the new Astroturf facility have been extremely successful, with the facility being very well used and providing enough income for a sinking fund to be set up for the replacement of the Astroturf carpet when required. In

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' ANNUAL REPORT

addition, the Consortium has been approached by another school about the possibility of building a second Astroturf on part of the site leased from the Hewett School

The School continued to monitor its teaching and learning, and all activities outside the curriculum, in order to consolidate existing good practice and reinforce its established reputation for excellence across the board, using the national self-evaluation framework as an aid in this process and as a means of ensuring full regulatory compliance. The ISI inspection referred to below was an excellent opportunity for the School to have an objective measure of its success in these areas.

Operational performance

A major feature of the Town Close year was its inspection by the Independent Schools Inspectorate– the first since 2005. This involved a substantial amount of input from all sections of the School, but also provided an excellent opportunity to measure its achievements against the benchmarks provided by a national framework assessment. The resulting report confirmed Town Close to be an exceptional school– not only in comparison with others in Norfolk, but as one of a small number nationally to have been graded excellent/outstanding in every single element covered by the inspection. The School was particularly pleased with the assessment of teaching at Town Close as being excellent, as a look at inspection reports shows that this is one of the hardest aspects in which to achieve top grading, yet it is arguably the most important. The inspectors were impressed not just with the very large quantity of outstanding lessons but with the fact that all these lessons were delivered in such a wide variety of ways because the teachers felt able to be individuals. This is something the School has worked very hard to achieve and shall continue to evaluate everything that is done in this vital aspect of schooling to ensure this level of excellence is maintained.

The new Sports Hall and The Read Hall (for performing arts) continued to be well used. A major musical production was staged at the beginning of the year followed by an evening of poetry and music, a Shakespearian double bill and a number of concerts by the School's many instrument players and singers. Singing has long been a strength at Town Close and the School was honoured to be asked to perform a substantial repertoire in Norwich Cathedral in the Salvation Army concert which was broadcast on local radio. Two pupils from the School also gained places in the National Youth Girls' Choir of Great Britain.

For Year 8 pupils, Common Entrance results were once again extremely good, with a hugely impressive 86% of pupils graded A or B and the eventual destinations of the cohort of leavers comprising twelve different senior schools. Eight senior schools between them offered academic scholarships or other awards to eleven Town Close pupils with one pupil winning a place at The Royal Ballet School, one of only twelve places available.

Among other successes at events outside the School, a Year 6 team were victorious for the second year running in the University of East Anglia's Top Class Science Olympiad while another Year 6 team were runners up in a mathematics competition against 37 other schools from the Cambridge area. Two of our artists won the prizes for their age group in the Taverham Hall Art Competition. While the School does not teach specifically for the Key Stage 2 SATS, they provide the only true external measure of attainment. In English all pupils achieved at least a Level 4, the national average, with 78% of them achieving Level 5 (82% in reading). In mathematics the figure at Level 5 was 63%, still extremely high.

The school encourages the widest possible participation of girls and boys in competitive sporting fixtures, and once again the past year has featured some notable achievements by teams and individuals. The Under 13 girls' team became Norfolk Mini Hockey Champions as well as winning the Gresham's indoor tournament which attracts schools from all over the country. The Under 12 boys team won the Gresham's outdoor Festival. The girl and boy cross country teams finished second overall in the East Anglian Cross country Championships and four girls qualified for the National Prep Schools Athletics Championships. Three of the School's swimmers reached national finals with one winning the 50m breaststroke title setting a new national record in the process. The 1st XI cricket team was unbeaten in regular season matches for the second consecutive season and reached the final of the Norfolk Cup (which was unfortunately never played due to inclement weather).

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' ANNUAL REPORT

Financial review and reserves policy

As reported in the statement of financial activities and income and expenditure account later in this Report, the School's net income for the year, after depreciation, was £221,793 (2011 £283,932). Since the commissioning of new buildings is reflected in significant depreciation charges for the year, it is appropriate to consider also the comparative performance setting aside this factor. The net surplus before depreciation and amortisation, was equivalent to 12.04% of incoming resources, compared with 12.4% in 2011. This was another very positive outcome and continues a pattern of performance over the past ten years and more that has facilitated a major development programme and continuous investment in improving the quality of Town Close's educational provision, and reflects very effective financial planning and management.

On completion of the major building projects on the School's main site, capital expenditure costs were once again considerably lower than the previous year at £246,295 (2011 £511,256). The Trust's pattern of operating performance and the state of its balance sheet continue to leave the Trust well placed operationally and in its capacity to respond to new demands and opportunities that might arise. The Trustees nevertheless remain conscious of the continuing economic uncertainty and challenges facing independent schools, and will continue to exercise great care and prudence in their budgeting for the years ahead.

The policy of the Trustees is to maintain reserves at a level that is sufficient to enable the School to continue to operate as a going concern for the foreseeable future. At the present time the reserves, amounting to £3,855,160 (2011 £3,633,367) and held in the General and Designated Funds, are fully invested in the fabric of the School. Capitalised expenditure on the School's premises and equipment has substantially been financed by the Trust's secured loan facilities, but with a significant contribution from resources generated by the successful operating performance outlined in this and recent Reports.

The Trust is not empowered to deliver any surplus by way of a dividend, bonus or other method to its members.

Objectives and Plans

Objectives for the next year and the medium term include:

- To recruit an effective new head to lead the School upon the retirement of the current headmaster
- To continue to monitor and review general provision, especially EYFS provision, taking account of the frequent changes in this age group, and pastoral provision throughout the School
- To continue to progress negotiations for the second Astroturf on the site, always bearing in mind Town Close's best interests
- To ensuring all targets outlined in the current Development Plan are achieved before the next Plan is produced in 2013
- To protect and promote the School's charitable status and purposes in dialogue with the Charity Commission, as appropriate, after it has finalised its revised guidance on the public benefit requirement

Investment power

The Trustees are empowered to invest funds in a manner appropriate to the financial requirements of the School, having regard to the security of any investments made and the requirements of the Charity Commissioners' order.

Asset cover for funds

The Trustees are satisfied that on a fund-by-fund basis the assets are sufficient to fulfil all the School's current obligations.

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

TRUSTEES' ANNUAL REPORT

Systems review and risk management

The Trustees' Risk Management Policy and accompanying risk register are monitored by a working group comprising a number of Trustees and the school's Bursar. The work of this group is grounded in the operational aspects of the School, but it also has an important strategic role in reviewing higher level issues such as the educational, economic, legal and political context in which the School operates, and thereby helps to inform the Trustees' strategic planning and decision making. The Risk Management Working Group reports at least annually to the Trustees. This committee in turn seeks specific advice and guidance on systems matters from the appointed auditor or from other professional advisers from time to time.

Statement of trustees' responsibilities

The Trustees (who are also directors of Town Close House Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Auditor

Larking Gowen have been appointed as auditor in accordance with s485 (4) of the Companies Act 2006

ON BEHALF OF THE TRUSTEES

D J H Bolton
Chairman

15 March 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

We have audited the financial statements of Town Close House Educational Trust Limited for the year ended 31 July 2012 which comprise the principal accounting policies, the statement of financial activities, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees' (who are also the directors of Town Close House Educational Trust Limited for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Trustees' Responsibilities Statement.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 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 United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWN CLOSE HOUSE
EDUCATIONAL TRUST LIMITED (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



J GRIMMER FCA DChA
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF LARKING GOWEN
STATUTORY AUDITORS
NORWICH

27 March 2013

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 2005, "Accounting and Reporting by Charities"

INCOMING RESOURCES

Income represents school fees due for the school year and other miscellaneous income accrued on a receivable basis, as shown on page 10

EXPENDITURE

All costs which are identifiable as an integral part of the running of the school are classified as direct charitable expenditure

ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Support costs and overheads have been allocated between charitable activities and governance. Staff costs are allocated on the basis of a best estimate of the time spent by each member of staff and their cost on each activity. Similarly, other costs are allocated on the basis of a best estimate of the purpose of the expenditure. No allocation has been made to costs of generating funds as it is not considered appropriate for this organisation. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

GOVERNANCE COSTS

Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to the statutory audit, any legal fees incurred for trustee advice and an apportionment of support costs and overheads.

DEPRECIATION

Depreciation is provided by the charitable company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Additions to leasehold property	-	20 to 50 years
Furniture, fittings and equipment	-	10 years
Motor vehicles	-	5 years
Computer equipment (included in Furniture, Fittings and Equipment)	-	3 years

Assets in the course of construction are not depreciated.

CAPITALISATION

Assets costing less than £1,000 are not capitalised but are written off as incurred.

RESERVES

General unrestricted reserves are fully invested in the fabric of the school.

Designated unrestricted reserves represent monies raised from ad hoc activities and donations received. The trustees have designated these funds in order to contribute to worthwhile activities as they arise.

Restricted funds comprise donations received towards future building projects.

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES

PENSION COSTS

The school contributes to the DfE Superannuation Scheme for all teaching staff. This is a defined benefit scheme operated and controlled by the Department for Education. The school is not able to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and consequently, for financial statement purposes, the scheme is treated as though it is a defined contribution scheme.

The school operates a defined contribution stakeholder scheme for other staff. The assets of the scheme are held separately from those of the school in an independently administered fund. The school also makes contributions to a personal pension scheme.

The pension cost for the year represents contributions payable by the school to these schemes.

LEASES

The cost of assets acquired on finance leases are capitalised and written off over the estimated useful life of the asset. Lease finance charges are allocated to accounting periods, during the lease term, so as to produce a constant periodic rate of charge on the outstanding obligations. Operating lease payments are written off as incurred.

PROGRAMME RELATED INVESTMENTS

The school has provided capital funding to The Central Norwich Hockey Consortium (a registered charity). Funding has assisted with construction of astroturf hockey pitches and associated facilities, which are available for school and community use. The funding is recognised as a programme related investment stated at cost less amortisation. The investment is being amortised by way of an annual grant to The Central Norwich Hockey Consortium on a straight line basis, over the period during which the school expects to utilise the facilities, namely 15 years.

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 July 2012

	Note	General £	Designated £	Restricted £	Total 2012 £	Total 2011 £
Incoming resources						
<i>From charitable activities</i>						
School fees		4,235,351	-	-	4,235,351	4,266,270
Grants		-	-	-	-	-
School trips		66,510	-	-	66,510	67,789
Holiday activities		52,816	-	-	52,816	38,405
<i>From generated funds</i>						
Income from other activities	2	52,610	8,745	-	61,355	59,325
Interest receivable		898	-	-	898	159
Total incoming resources		4,408,185	8,745	-	4,416,930	4,431,948
Resources expended						
<i>Costs of generating funds</i>						
Fundraising and publicity		45,477	-	-	45,477	13,630
Costs of other activities		5,456	-	-	5,456	8,282
		50,933	-	-	50,933	21,912
<i>Charitable activities</i>						
School expenses	3	3,811,231	9,245	-	3,820,476	3,760,957
School trips		75,349	-	-	75,349	77,082
Grants		-	-	-	-	7,690
Repairs, renewals and grounds		125,268	-	-	125,271	141,471
Interest payable		51,023	-	-	51,023	58,655
<i>Governance costs</i>	4	72,088	-	-	72,088	80,249
Total resources expended	5	4,185,892	9,245	-	4,195,140	4,148,016
Net increase/(decrease) in resources for the year		222,293	(500)		221,793	283,932
Balance brought forward at 1 August 2011		3,593,388	620	39,359	3,633,367	3,349,435
Transfers		39,359	-	(39,359)	-	-
Balance carried forward at July 2012	13	3,855,040	120	-	3,855,160	3,633,367

The incoming resources and resulting net movement in funds arise from continuing operations. The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED - COMPANY NUMBER 940118

BALANCE SHEET AT 31 JULY 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible fixed assets	8		5,585,338		5,664,375
Programme Related Investment	9		350,000		335,000
			<u>5,935,338</u>		<u>5,999,375</u>
Current assets					
Debtors	10	120,617		87,765	
Cash at bank and in hand		742,956		713,623	
		<u>863,573</u>		<u>801,388</u>	
Creditors: amounts falling due within one year	11	(656,762)		(716,052)	
Net current assets			<u>206,811</u>		<u>85,336</u>
Total assets less current liabilities			<u>6,142,149</u>		<u>6,084,711</u>
Creditors amounts falling due after more than one year	12		(2,286,989)		(2,451,344)
Net assets			<u>3,855,160</u>		<u>3,633,367</u>
Funds - unrestricted					
Designated funds	14		120		620
General fund	13		3,855,040		3,593,388
Funds - restricted					
Restricted funds	15		-		39,359
Total funds	13		<u>3,855,160</u>		<u>3,633,367</u>

These financial statements were approved by the governing body and authorised for issue on 15/03/13 and signed on their behalf by

D J H Bolton Chairman

P C Easter Trustee

The accompanying accounting policies and notes form an integral part of these financial statements

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

CASH FLOW STATEMENT

For the year ended 31 July 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	18	520,753	462,120
Returns on investments and servicing of finance	19	(50,125)	(61,078)
Capital expenditure and financial investment		(246,295)	(511,256)
Cash outflow before financing		224,333	(110,214)
Financing		(195,000)	(295,000)
(Decrease)/increase in cash in year		29,333	(405,214)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

For the year ended 31 July 2012

	Note	2012 £	2011 £
(Decrease)/increase in cash in year		29,333	(405,214)
Cash outflow from lease financing		-	-
Cash outflow from business loan repayment		195,000	295,000
Cash inflow from new business loan		-	-
Change in net debt resulting from cash flows		224,333	(110,214)
Net (debt)/funds at 1 August 2011		(1,810,676)	(1,700,462)
Net debt at 31 July 2012	20	(1,586,343)	(1,810,676)

The accompanying accounting policies and notes form an integral part of these financial statements

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

1 TURNOVER

Turnover relates to the charging of school fees within the United Kingdom

2 INCOME FROM OTHER ACTIVITIES

	2012 £	2011 £
General		
Swimming pool income	24,087	19,766
Other hirings	18,360	23,154
School uniforms	674	2,999
Other incidental income	9,489	7,183
Designated		
Fund raising	8,745	5,973
Restricted		
Name plaques fund	-	250
	<u>61,355</u>	<u>59,325</u>

3 SCHOOL EXPENSES

	2012 £	2011 £
General		
Teaching salaries	2,303,877	2,267,701
Less allocated to governance	-	(18,072)
	<u>2,303,877</u>	<u>2,249,629</u>
Domestic and grounds staff salaries	347,739	266,714
Housekeeping and provisions	258,792	227,517
Depreciation	285,332	266,237
Amortisation grant (note 9)	25,000	-
Teaching materials and other school expenses	202,777	230,173
Rent	51,560	51,500
Photocopier operating lease	5,861	10,527
General support costs - staff costs	249,875	313,935
- other	89,663	139,677
	<u>3,820,476</u>	<u>3,755,909</u>
Restricted		
Name plaques fund	-	5,048
	<u>3,820,476</u>	<u>3,760,957</u>

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

4 GOVERNANCE COSTS

	2012 £	2011 £
Staff costs	24,713	47,987
Previous auditor's remuneration - audit work	6,132	4,500
- advisory services	1,266	1,764
Auditor's remuneration – audit work	4500	-
Legal expenses	25,514	10,183
General office expenses	9,963	15,815
	<u>72,088</u>	<u>80,249</u>

Allocation of support costs and overheads

	Charitable activities £	Governance costs £	Total 2012 £	Total 2011 £
Staff costs	249,875	24,713	274,588	343,850
General office expenses	89,663	9,963	99,626	155,492
	<u>339,538</u>	<u>34,676</u>	<u>374,214</u>	<u>499,342</u>

10% of general office expenses are allocated to governance Staff costs are allocated on the basis of estimated time spent, being 9% allocated to governance

5 EXPENDITURE

	Staff costs £	Amortisation Depreciation £	Other costs £	Total 2012 £	Total 2011 £
Costs of generating funds	-	-	50,933	50,933	21,912
Direct charitable expenditure	2,901,491	310,332	608,653	3,820,476	3,766,468
Interest payable - overdraft and hire purchase	-	-	-	-	-
Bank charges	-	-	2,982	2,982	2,582
Interest payable - loan	-	-	48,041	48,041	58,252
Repairs and renewals and grounds	-	-	125,271	125,271	141,471
School trips	-	-	75,349	75,349	77,082
Governance	24,713	-	47,375	72,088	80,249
	<u>2,926,204</u>	<u>310,332</u>	<u>958,604</u>	<u>4,195,140</u>	<u>4,148,016</u>

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

6 STAFF COSTS

The average number of employees during the year was 121 (2011 120) These totals do not include the trustees

Staff costs comprise

	2012 £	2011 £
Wages and salaries	2,499,392	2,459,389
Social security costs	176,297	170,467
Other pension costs	250,516	248,409
	<u>2,926,205</u>	<u>2,878,265</u>

There was one (2011 one) employee whose earnings exceeded £60,000 This employee's earnings fell between £70,000 and £80,000 Company pension contributions in respect of this employee were £10,635 (2011 £10,616)

The trustees received no remuneration

The pension cost consists of £208,436 (2011 £211,531) teachers' pension and £42,079 for other staff (2011 £36,878)

Employers contributions in respect of the teachers' pension fund are expected to be 14.1 % of contributory salary for the year 2012/13

At the year end there were accrued pension contributions of £Nil (2011 £Nil) and £17,265 (2011 £17,589) accrued teachers' pension fund contributions

7 TAXATION

Income and gains fall within exemptions afforded by sections 466 to 493 Corporation Tax Act 2010 Accordingly there is no corporation tax charge in the accounts

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

8 TANGIBLE FIXED ASSETS

	Additions to leasehold property £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2011	7,585,879	897,139	84,915	8,567,933
Additions	39,038	125,863	41,394	206,295
	<u>7,624,917</u>	<u>1,023,002</u>	<u>126,309</u>	<u>8,774,228</u>
At 31 July 2012				
Depreciation				
At 1 August 2011	2,150,916	682,515	70,127	2,903,558
Charge for year	185,954	85,039	14,339	285,332
	<u>2,336,870</u>	<u>767,554</u>	<u>84,466</u>	<u>3,188,890</u>
At 31 July 2012				
Net book value at 31 July 2012	<u>5,288,047</u>	<u>255,448</u>	<u>41,843</u>	<u>5,585,338</u>
Net book value at 31 July 2011	5,434,963	214,624	14,788	5,664,375

9. PROGRAMME RELATED INVESTMENT

	£
Cost at 1 August 2011	335,000
Additions	40,000
	<u>375,000</u>
Cost at 31 July 2012	
Amortisation at 1 August 2011	-
Amortisation grant	25,000
	<u>25,000</u>
Amortisation at 31 July 2012	
Net book value at 31 July 2012	<u>350,000</u>
Net book value at 31 July 2011	<u>335,000</u>

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

10. DEBTORS

	2012	2011
	£	£
Trade debtors	71,346	16,439
Prepayments	49,271	71,326
	120,617	87,765

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Business loan (note 20)	195,000	195,000
Trade creditors	52,593	48,289
Taxation and social security	82,426	82,596
Other creditors	217	49,964
Fee deposits	22,975	32,200
Accruals and deferred income	303,551	308,003
	656,762	716,052

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Bank loan	2,134,299	2,329,299
Fee deposits	152,690	122,045
	<u>2,286,989</u>	<u>2,451,344</u>

The business loan has been obtained to finance the construction of the new facilities (note 8) and is secured on the deeds of the school. Interest is payable at 1.15% over bank base rate and the loan is repayable in 30 equal termly instalments.

	2012 £	2011 £
Bank loan		
Amount due in less than one year (note 20)	195,000	195,000
Amount due within one to two years	195,000	195,000
Amount due within two to five years	585,000	585,000
Amount due after more than five years	1,354,299	1,549,299
	<u>2,329,299</u>	<u>2,524,299</u>

Fee deposits fall due within one to two years

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at are represented by

	General £	Designated £	Restricted £	2012 Total £	2011 Total £
Tangible assets	5,935,338	-	-	5,935,338	5,999,375
Net current assets	206,691	120	-	206,811	85,336
Liabilities due after more than one year	(2,286,989)	-	-	(2,286,989)	(2,451,344)
	<u>3,855,040</u>	<u>120</u>	<u>-</u>	<u>3,855,160</u>	<u>3,633,367</u>

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

14. DESIGNATED FUNDS

Monies raised from ad hoc activities and donations received have been set aside by the trustees in order to contribute to certain worthwhile activities as they arise

	£
Brought forward	620
Income	8,745
Expenditure	(9,245)
	<u>120</u>

15. RESTRICTED FUNDS

Restricted funds comprise

	2011 £	Transfers £	2012 £
Development fund	29,166	(29,166)	-
Chair plaque fund	9,751	(9,751)	-
Performing Arts Centre Lighting	442	(442)	-
	<u>39,359</u>	<u>(39,359)</u>	<u>-</u>

The transfer out of restricted funds into general funds is to reflect that all funds were fully expended in the prior period but that the expenditure had been incorrectly allocated to general funds.

16. COMMITMENTS

At the end of the year the company had annual commitments under non-cancellable operating leases as follows

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Two to five years	-	5,914	-	6,393
After five years	51,500	16,782	50,000	16,782
	<u>51,500</u>	<u>22,696</u>	<u>50,000</u>	<u>23,175</u>

17. SHARE CAPITAL

The company is limited by guarantee. The liability of each of the trustees who are the members is limited to £1. Trustees remain liable for this sum for one year after their resignation.

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED**NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 July 2012

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	271,918	345,010
Depreciation and amortisation charges	310,332	266,237
Decrease / (increase) in debtors	(32,852)	17,499
Decrease in creditors	(28,645)	(166,626)
Cash inflow from operating activities	520,753	462,120

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investment and servicing of finance		
Interest element of finance lease rental payments	-	-
Interest element of business loan repayments	(48,041)	(58,655)
Bank fees and charges	(2,982)	(2,582)
Interest received	898	159
Net cash (outflow)/inflow for returns on investment and servicing of finance	(50,125)	(61,078)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(206,295)	(176,256)
Investment in joint venture	(40,000)	(335,000)
Net cash outflow for capital expenditure and financial investment	(246,295)	(511,256)
Financing		
Capital element of finance lease payments	-	-
Capital element of business loan repayments	(195,000)	(295,000)
New business loan	-	-
Net cash outflow from financing	(195,000)	(295,000)

TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED

NOTES TO THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

20. ANALYSIS OF NET (DEBT)/FUNDS

	2011 £	Cash flows £	Non cash flows £	2012 £
Cash at bank and in hand	713,623	29,333	-	742,956
Business loan	(2,524,299)	195,000	-	(2,329,299)
Total	(1,810,676)	224,333	-	(1,586,343)

21. RELATED PARTY TRANSACTIONS

Three (2011 two) trustees had expenses totalling £251 (2011 £204) reimbursed by the school

Three governors are also fee paying parents, the Honourable G C Mackintosh, P C Easter and Mrs C R Costello. Fees paid by parent governors are the same rates applicable to other pupils in line with standard school terms.

During the year the company provided additional capital funding of £40,000 (2011 £335,000) to The Central Norwich Hockey Consortium Limited, a registered charity, of which the company is a founding co-member. The school's funding is recognised as a programme related investment as detailed in note 1 and 9. The school hires the hockey pitches operated by the consortium and during the year fees totalling £5,376 (2011 nil) were payable. The school currently expects to use the facilities for a period of 15 years and is amortising its original investment by way of annual grant to the consortium. A grant of £25,000 was made to the consortium in the year (2011 nil).