

**ASCHAM HOUSE SCHOOL TRUST LIMITED**

**(A COMPANY LIMITED BY GUARANTEE)**

**COMPANY NO: 1507528**

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2005**

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**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****COMPANY NO: 1507528****REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 1 SEPTEMBER 2005****1 STATUS AND ADMINISTRATION**

ASCHAM HOUSE SCHOOL is a long established preparatory school for boys. A Charitable Trust under the name Ascham House School Trust Limited was established in July 1980 as a company limited by guarantee not having a share capital governed by its memorandum and articles. Ascham House School is a registered charity, number 510529. A decision was taken to merge with Newlands Educational Trust Limited on 1<sup>st</sup> September 2005.

The present Governors of the School, who are also the charity trustees and directors of the company for the purposes of the Companies Act, who served during the period as indicated, are:

Mr P Mankin (Chairman)  
Mrs S Stewart

The Head:	P M Garner
Bursar:	Mrs J E Lightley
Address:	Ascham House School 30 West Avenue Gosforth Newcastle upon Tyne
Banker:	Barclays Bank plc Newcastle Corporate Services Barclays House 71 Grey Street Newcastle upon Tyne NE99 1LG
Auditors:	Brennan Neil & Leonard Chartered Accountants Registered Auditor 32 Brenkley Way Bleazard Business Park Seaton Burn Newcastle upon Tyne NE13 6DS

**2 OBJECTS**

The objects as set out in the Memorandum of Association are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either or both sexes.

In practice the school is a day school for boys aged between 3 and 13 educating them to a standard enabling them to move to a senior school.

**3 ORGANISATION**

The Governors determine the general policy of the school. The day to day management of the school is delegated to the Head and the Bursar.

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**REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 1 SEPTEMBER 2005**

**4 POLICY**

The school is committed to giving boys the best possible start in life. To that end, a caring and encouraging approach is adopted to help them discover and then develop their own particular talents, whether they be academic, artistic, musical, dramatic or sporting. The school has a long tradition of academic success in preparing boys for entry both to local independent secondary day schools and to Public Schools.

**5 REVIEW OF ACTIVITIES**

On 1<sup>st</sup> September 2005 the assets and liabilities of Ascham House School Trust Limited were transferred to Newlands Educational Trust Limited.

**6 GOVERNANCE AND INTERNAL CONTROL**

Company and charity law requires the Governors, in their capacity as directors and trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Governors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Governors have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the Governors.
- Regular consideration by the Governors of financial results, variance from budgets, non-financial - performance indicators and benchmarking reviews.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

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REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 1 SEPTEMBER 2005

**6 GOVERNANCE AND INTERNAL CONTROL (CONTINUED)**

The Governors have introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Governors have reviewed the adequacy of the charity's current internal controls. The Governors are pleased to report that the charity's internal financial controls, in particular, conform with guidelines issued by the Charity Commission.

**7 SMALL COMPANIES RULES**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Governors on 14 December 2005 and signed on its behalf by



**P Mankin**  
Chairman

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ASCHAM HOUSE SCHOOL TRUST LIMITED**

We have audited the financial statements of Ascham House School Trust Limited on pages 5 to 12 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

**Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of Ascham House School 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 are set out in the Statement of Governance and Internal Control.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity 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 charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

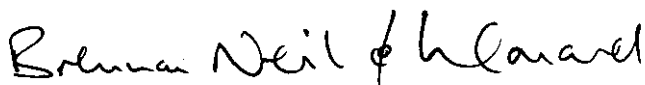
**Basis of Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 1 September 2005 and of its incoming resources and application of resources, including its income and expenditure, for the period and have been properly prepared in accordance with the Companies Act 1985.



Brennan Neil & Leonard  
 Chartered Accountants and Registered Auditors  
 Newcastle upon Tyne

Dated: 14 December 2005

**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****COMPANY NO: 1507528****STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)****FOR THE PERIOD ENDED 1 SEPTEMBER 2005**

		<b>Unrestricted Funds</b>	
		<b><u>01.09.05</u></b>	<b><u>31.08.05</u></b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>			
Incoming resources from operating activities			
Activities in furtherance of the charity's objective			
Fees receivable	2	- 1,672,445	
Ancillary trading income		- 96,853	
Investment income		- 2,197	
<b>TOTAL INCOMING RESOURCES</b>		- 1,771,495	
<b>RESOURCES EXPENDED</b>			
Direct Charitable Expenditure			
Teaching Costs	4	- 1,337,824	
Welfare Costs	4	- 109,736	
Premises Costs	4	- 168,052	
Support Costs	4	- 233,483	
		- 1,849,095	
Interest	4	- 9,044	
Management & Administration of Charity	4	- 3,061	
<b>TOTAL RESOURCES EXPENDED</b>		- 1,861,200	
<b>NET (OUTGOING)/INCOMING RESOURCES</b>		- (89,705)	
<b>MERGER COSTS</b>	6	- (134,699)	
<b>NET (OUTGOING)/INCOMING RESOURCES POST MERGER COSTS</b>		- (224,404)	
<b>INVESTMENT REVALUATION GAINS</b>		- 367	
<b>BALANCES BROUGHT FORWARD AT 1 SEPTEMBER 2005</b>	9	817,795	1,041,832
<b>TRANSFER TO NEWLANDS EDUCATIONAL TRUST</b>		(817,795)	-
<b>BALANCES CARRIED FORWARD AT 1 SEPTEMBER 2005</b>	9	- 817,795	

There are no recognised gains or losses in the period.

The notes on pages 7 to 14 form part of these accounts.


**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****BALANCE SHEET AT 1 SEPTEMBER 2005**

	Notes	£	<u>01.09.05</u> £	£	<u>31.08.05</u> £
<b>FIXED ASSETS</b>					
Tangible assets	10		-		1,292,690
Investment	11		-		1,979
<b>CURRENT ASSETS</b>					
Debtors	12	-		25,033	
		-		25,033	
<b>CREDITORS</b> due within one year	13	-		(152,876)	
Bank Overdraft		-		(17,750)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			-		(145,593)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			-		1,149,076
<b>CREDITORS</b> due after more than one year	14		-		(69,430)
<b>NET ASSETS</b>			-		1,079,646
<b>UNRESTRICTED FUND</b>			-		1,079,646

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts were approved by the Governors on 14 December 2005.

  
P Mankin

  
S L Stewart

The notes on pages 7 to 14 form part of these accounts.

ASCHAM HOUSE SCHOOL TRUST LIMITED(A COMPANY LIMITED BY GUARANTEE)NOTES TO THE FINANCIAL STATEMENTSFor the Period Ended 1 September 20051 Accounting policies(a) Basis of Preparation

The accounts are prepared under the historical cost convention as modified by the adoption of current cost for investment assets and including the revaluation of freehold and leasehold properties. They have been prepared in accordance with applicable accounting standards and the current Statement of Recommended Practice on accounting and reporting by Charities; the Charities SORP 2000.

(b) Depreciation

Depreciation is provided on all tangible fixed assets retained for the schools own use, other than freehold land, at rates calculated to spread each asset's cost, less its estimated residual value at prices ruling at date of acquisition, evenly over its expected useful economic life, which for each class of asset is initially assessed as averaging:

*Straight-line basis*

Freehold buildings	2%
Long leasehold property	2%
Fixtures, fittings and equipment	10%
Motor vehicle	25%

*Reducing balance basis*

Computers for teaching	33%
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(c) Incoming Resources

Fees receivable represents the invoiced value of fees for educational and ancillary services provided to pupils for the school year ended 31 July, less scholarships and allowances.

Ancillary trading income represents the invoiced value of fees for catering services provided to pupils in the accounting period.

(d) Expenditure

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

(e) Teaching Costs

Supplies of games equipment, books, stationery and sundry materials are written off to the General Revenue account as soon as the expenditure on procuring them is incurred.



**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS****for the Period Ended 1 September 2005 - Continued****(f) Pension Costs**

Contributions to the Teachers' Superannuation Scheme, which is a Defined Benefit Scheme, are accounted for as though the scheme is a defined contribution scheme because it is not possible to apply the requirements of FRS17. Contributions are made at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator and are accounted for when advised when due. The school also contributes to a stakeholder pension scheme for non-teaching staff at 3% of annual basic pay, with employees also contributing at least 3% of annual basic pay.

**2 Fees receivable**

Fees are attributable to the one principal activity of the company, which arose wholly in the United Kingdom.

	<b><u>01.09.05</u></b>	<b><u>31.08.05</u></b>
	<b>£</b>	<b>£</b>
Fees receivable consist of:		
Gross fees	-	1,693,708
Less: Scholarships paid out of Trust Funds	-	(21,263)
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	-	1,672,445
	<hr/>	<hr/>

**3 Staff Costs**

	<b><u>01.09.05</u></b>	<b><u>31.08.05</u></b>
	<b>£</b>	<b>£</b>
Wages and Salaries	-	1,103,588
Social Security Costs	-	91,574
Pension Contributions	-	110,424
Pensions to Former Employees	-	14,525
Private Medical Insurance	-	6,783
	<hr/>	<hr/>
	-	1,326,894
	<hr/>	<hr/>

The average number of employees in the year was:

	<b><u>No</u></b>	<b><u>No</u></b>
Teaching Full Time	-	26
Part Time	-	12
Domestic	-	6
Administration	-	3

The following number of employees exceeded £50,000 of emoluments and their retirement benefits are accruing under Defined Benefit Schemes. Defined Contribution Schemes: None:

£70,000 - £80,000	-	1
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**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS****for the Period Ended 1 September 2005 - Continued****4 Analysis of Total Resources Expended**

	Staff Costs	Other	Dep'n	Total
	£	£	£	£
Direct Charitable Expenditure				
Teaching Costs	-	-	-	-
Welfare Costs	-	-	-	-
Premises Costs	-	-	-	-
Support Costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Interest		-		-
Management and Administration of Charity		-		-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
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**5 Net Incoming Resources**

Net incoming resources are stated after charging:-

	<u>01.09.05</u>	<u>31.08.05</u>
	£	£
Depreciation	-	26,052
Auditors' remuneration	-	3,061
Pension costs	-	110,424
Operating Leases	-	18,832
and after crediting:-		
Bank deposit interest received	-	2,111
Investment income received	-	86

**6 Merger Costs**

Legal Fees	-	28,715
Telephones/IT	-	26,234
Marketing	-	33,635
Project Manager	-	23,486
Playground Resurfacing	-	4,995
Furniture	-	7,139
Storage Costs	-	2,722
Educational Consultant	-	6,383
Events for Staff and Boys	-	1,390
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	-	134,699
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**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS****for the Period Ended 1 September 2005 - Continued**

<b>7 <u>Transactions with Related Parties</u></b>	<b><u>01.09.05</u></b>	<b><u>31.08.05</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Governors' Liability insurance premium costs borne by the company.	-	270

The Governors received no remuneration or other benefits for the year, and no reimbursement of expenses during the year.

**8 Taxation**

As the company is a registered charity its income and gains from its activities as an educational trust are not liable to United Kingdom corporation tax.

<b>9 <u>Unrestricted Fund</u></b>	<b><u>General</u></b>	<b><u>Designated</u></b>		
	<b><u>Retained</u></b>	<b><u>Revaluation</u></b>	<b><u>Music Prize</u></b>	
	<b><u>Income</u></b>	<b><u>Reserve</u></b>	<b><u>Fund</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
Balance at 1 September 2005	817,545	261,851	250	1,079,646
Transfer to Newlands Educational Trust Limited	(817,545)	(261,851)	(250)	(1,079,646)
Balance at 1 September 2005	-	-	-	-

All reserves are unrestricted.

**10 Tangible assets**

	<b><u>Property</u></b>	<b><u>Fixtures</u></b>			
	<b><u>Freehold</u></b>	<b><u>Long Leasehold</u></b>	<b><u>Fittings and Equipment</u></b>	<b><u>Computers</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
Cost or valuation					
At 1 September 2005	1,000,000	350,000	65,868	155,113	1,570,981
Transfer to Newlands Educational Trust Limited	(1,000,000)	(350,000)	(65,868)	(155,113)	(1,570,981)
At 1 September 2005	-	-	-	-	-
Depreciation					
At 1 September 2005	43,000	24,367	65,868	145,056	278,291
Transfer to Newlands Educational Trust Limited	(43,000)	(24,367)	(65,868)	(145,056)	(278,291)
At 1 September 2005	-	-	-	-	-
Net book value					
At 1 September 2005	-	-	-	-	-
Net book value					
At 31 August 2005	970,000	325,633	-	10,057	1,292,690

**ASCHAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS****for the Period Ended 1 September 2005 - Continued****10 Tangible assets - continued**

Comparable historical cost for the freehold and leasehold buildings included at valuation

	<b>Freehold</b>	<b>Long Leasehold</b>
	<b>£</b>	<b>£</b>
Cost		
At 1 September 2005	461,241	370,422
Transfer to Newlands Educational Trust Limited	(461,241)	(370,422)
At 1 September 2005	-	-
Depreciation based on cost		
At 1 September 2005	157,831	79,084
Transfer to Newlands Educational Trust Limited	(157,831)	(79,084)
At 1 September 2005	-	-
Net Book value		
At 1 September 2005	-	-
At 31 August 2005	303,410	291,338

**11 Investment**

The investment consisted of 150 units M &amp; G Charifund stock stated at market value. The cost was £173.

**12 Debtors**

Amounts falling due within one year:-	<b><u>01.09.05</u></b>	<b><u>31.08.05</u></b>
	<b>£</b>	<b>£</b>
Trade debtors	-	6,980
Other debtors	-	8,219
Prepayments and accrued income	-	9,834
	-	25,033

**13 Creditors: due within one year**

	<b><u>01.09.05</u></b>	<b><u>31.08.05</u></b>
	<b>£</b>	<b>£</b>
Mortgage	-	13,334
Trade creditors	-	48,415
Payments received in advance	-	36,170
Taxation and social security	-	29,288
Accruals and deferred income	-	25,669
	-	152,876

**ASCAM HOUSE SCHOOL TRUST LIMITED****(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS****for the Period Ended 1 September 2005 - Continued****14 Creditors: due after more than one year**

	<u>01.09.05</u>	<u>31.08.05</u>
	£	£
Mortgage	-	69,430
	<u>          </u>	<u>          </u>

**15. Loans and Overdrafts**

An analysis of the maturity of loans and overdrafts is given below:

	<u>01.09.05</u>	<u>31.08.05</u>
	£	£
Amounts falling due within one year:		
Mortgage	<u>          </u> -	<u>13,334</u>
Amounts falling due between one and two years:		
Mortgage	<u>          </u> -	<u>14,375</u>
Amounts falling due between two and five years:		
Mortgage	<u>          </u> -	<u>46,487</u>
Amounts falling due in more than five years:		
Mortgage	<u>          </u> -	<u>8,569</u>

The interest rate applicable to the mortgage is 7.8%.

**16. Secured Debts**

The following secured debts are included within creditors:

	<u>01.09.05</u>	<u>31.08.05</u>
	£      £	
Mortgage	<u>          </u> -	<u>82,765</u>