

NEWLANDS (SEAFORD) EDUCATIONAL TRUST

(LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2005

Company Registration No. 2121190

Charity Registration No. 297606

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**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Governors	Mr J S Milton Mrs D Maslen Mr M Blocksidge Mr S Cooper Mr R V Leleux Mrs J Ramezan Mr A G Smith Mr N A P Walsh Dr E M Wearmouth
Secretary	Mr G L Hampstead
Charity number	297606
Company number	2121190
Principal address	Eastbourne Road Seaford East Sussex BN25 4NP
Registered office	Eastbourne Road Seaford East Sussex BN25 4NP
Auditors	Lucraft Hodgson and Dawes 2/4 Ash Lane Rustington West Sussex BN16 3BZ
Bankers	HSBC Bank Plc 153 North Street Brighton East Sussex BN1 1SW

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
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**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2005**

The governors present their report and accounts for the year ended 31 August 2005.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, applicable law and requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The trust is a company limited by guarantee. The officers of the trust are governed by its Memorandum and Articles of Association.

During the year the Trust's Memorandum and Articles of Association were subject to minor amendment in order to reflect current practice as recommended by the Charity Commission. The revised wording was approved at an Extraordinary General Meeting in March 2005 and was duly lodged at Companies House.

The trust's objects are to promote and provide for the advancement of education of children and young persons in the United Kingdom and elsewhere. The objectives are pursued by the running of a co-educational independent school and an international college.

The trust enhances the acknowledged public benefit of the education it provides through its non-selective approach to admission, extensive scholarship and bursary awards, the partnership arrangements it forges with other schools and its involvement generally in its local community.

The governors determine the general policies of the trust. The day to day management of the trust is delegated to the Headmaster and Bursar.

Review of activities

The acquisition during the year of premises a short distance away from the main school site was a significant development for the school. The premises, which had previously been owned and occupied by the proprietors of a local school, were acquired to enable expansion of the school's highly regarded English Language teaching, through the establishment of Newlands Court International College. In addition, following refurbishment, the property will provide much improved senior boarding accommodation, in readiness for expiry during 2006 of the lease on the premises currently used.

Establishment of the new international College was bound to impact on the financial performance of the school during the early years, as refurbishment of the premises proceeded, the recruitment process for students was developed and its reputation established. Unfortunately, delays in the acquisition of the premises exacerbated the situation with eventual completion in November 2004 effectively denying the opportunity for the generation of any income until the year commencing September 2005.

It had been expected that the budgeted loss arising upon the acquisition and setting up of the international College would be mitigated to a large extent by the performance of the school. However, that was not the case due to reduced income as a consequence of lower pupil numbers in the school. This downturn became apparent in the Autumn term and a thorough review was immediately undertaken of all running costs. Inevitably in the circumstances, the outcome from the review included a need to reduce teaching levels and the associated costs, so as to match pupil numbers and needs. Unfortunately this led to a small number of redundancies, the due process for which was completed in time for the end of the financial year.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2005**

The eventual outturn for the year is shown in the statement of financial activities detailed on page 7. A deficit of £266,305 arose.

During the year the trust awarded scholarships and bursaries totalling £658,433, of which £1,759 was from the Zettie Clark Trust Fund, which is restricted to providing assistance to pupils attending the school's special educational needs unit, the Gannon Centre. Scholarships are awarded on the basis of educational, artistic and sporting ability and bursaries granted having regard for personal financial circumstances.

Future developments

The governors' strategy remains to consolidate the school's position, through prudent financial management of its operations so as to maintain and enhance the school's reputation for realising the full academic, artistic and athletic potential of every one of its pupils. As part of the planning process, towards the end of the Summer term, the governors commissioned an independent appraisal of the school by an experienced consultant in the educational field. The outcome from this review will be considered and acted upon by the governors during the course of the 2005/06 year. It is anticipated that this will lead to increased recognition being given to the specialist areas in which the school already excels, such as theatre arts and special educational needs, with a view to attracting pupils from a wider catchment area than is presently the case. This will have positive consequences in terms of utilisation of boarding facilities and the level of income generated.

Governors

The governors, who are also the directors for the purpose of company law, who served during the year were:

Mr J S Milton	(resigned 5 April 2006)
Mrs D Maslen	(resigned 5 April 2006)
Mr M Blocksidge	(resigned 5 April 2006)
Mr J N Cleverton	(resigned 16 November 2004)
Mr S Cooper	(resigned 5 April 2006)
Mr R V Leleux	(resigned 5 April 2006)
Mrs J Ramezan	(resigned 5 April 2006)
Mr A G Smith	(resigned 5 April 2006)
Mr N A P Walsh	(resigned 5 April 2006)
Dr E M Wearmouth	(resigned 5 April 2006)
M J Holland	(appointed 18 May 2006)
J Summers	(appointed 18 May 2006)
D May	(appointed 14 April 2007)

None of the governors has any beneficial interest in the trust. All of the governors are members of the trust and guarantee to contribute £1 in the event of a winding up.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2005**

The appointment and election of the governors is subject to the trusts Memorandum and Articles of Association. New governors may be appointed by the Board. At each Annual General Meeting one third of the board are required to retire. Retiring by rotation at this Annual General Meeting will be Mr J S Milton, Mr R V Leleux and Mr N A P Walsh. Being eligible, all three will offer themselves for re-election.

Review of financial position

An overall loss on operations had been expected during the year as a result of the development of the Newlands Court site. However, the loss which arose on the activities of the main school was not anticipated, coming as it did after a series of strong financial performances, which had led to the strengthening of the school's balance sheet.

The budgets approved by the governors for the year 2005/06 indicate that a loss will again arise. This is principally due to the ongoing establishment and refurbishment costs at Newlands Court, necessary to maximise its income potential and enable re-location of senior boarding during 2006/07. In addition, implementation of the recommendations affecting the main school, arising from the consultants review referred to above, are not likely to bear fruit until the following year.

Our bankers are kept fully aware of the position and the governors have no reason to believe that they will be other than entirely supportive during this period of transition for the school.

Reserves policy

It is declared policy of the governors to maintain the schools unrestricted funds at a level equivalent to between one and three months' expenditure. The governors consider that reserves at that level would ensure that, in the event of a significant drop in income, they will be able to continue the charity's current activities while consideration is given to ways in which its operations might be revised. Past deficits have, however, meant that this level of reserves has yet to be reached but the governors continue to work towards achieving the policy objective.

Risk Factors

The governors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate their impact.

Auditors

During the post balance sheet period, an ordinary resolution was passed appointing Lucraft, Hodgson and Dawes as the Trusts auditors.

On behalf of the board of governors

M J Holland
Chairman of Governors
Dated: 25 February 2009



**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
STATEMENT OF GOVERNORS' RESPONSIBILITIES**

Company law requires the governors to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEWLANDS (SEAFORD) EDUCATIONAL TRUST**

We have audited to the accounts of Newlands (Seaford) Educational Trust for the year ended 31 August 2005 set out on pages 7 to 23. These accounts have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

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 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 first extent permitted by law, we do not accept or resume 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 opinion we have formed.

Respective responsibilities of governors and auditors

As described on page 1, the Governor's report, who are also the directors of Newlands (Seaford) Educational Trust for the purpose of the company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom accounting standards. Our responsibility is to audit the accounts in accordance with the relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the accounts 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 Governor's report is not consistent with the accounts, 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 charitable company is not disclosed.

We are not required to consider whether the statement of Governor's report concerning the major risks to which the charity is exposed covers all existing risks and controls, or form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Governor's report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent statements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEWLANDS (SEAFORD) EDUCATIONAL TRUST**

Basis of opinion

We conducted our audit in accordance with the 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 accounts. It also includes an assessment of the significant estimates and judgements made by the governors in the preparation of the accounts, 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material in this statement, whether caused by fraud or other irregularity or error.

However, the company found itself in financial difficulty and was unable to meet its debts when they fell due. On the 5th April 2006 the company was placed into administration and Andrew J Pepper and Alistair P Beveridge of Kroll, 10 Fleet Place, London, were appointed as joint administrators.

As part of the administration the company closed the campus upon which located and all staff were made redundant. All trustees and directors in office at the date of the administration also resigned.

During the administration period much of the company's accounting records were removed from the offices of the company. The current directors have been unable to locate the whereabouts of the information and it is not considered cost effect to attempt to reconstruct the accounting records. The company was able to provide us with sufficient reliable information to enable us to undertake our and therefore our work was limited in this respect.

In forming our opinion we also valued the overall adequacy of the presentation of information in the accounts.

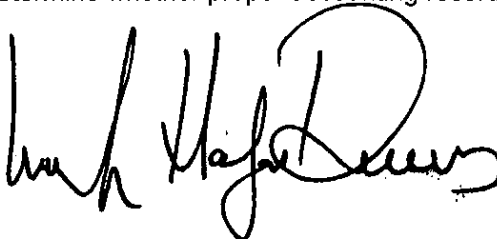
Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 or its profits for the year then ended.

In all other respects in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to these financial statements a) we have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and b) we were unable to determine whether proper accounting records had been maintained.

Lucraft, Hodgson and Dawes
Chartered Accountants
Registered Auditors



2/4 Ash Lane
Rustington
West Sussex
BN16 3BZ

Dated: 25th February 2009

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2005**

	Notes	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
<u>Incoming resources</u>					
Donations and legacies	2	-	-	-	10,011
Activities in furtherance of the charity's objects	3	5,110,420	-	5,110,420	5,393,238
Activities for generating funds	4	3,150	-	3,150	3,810
Investment income	5	24,625	1,531	26,156	27,687
Other incoming resources	6	83,125	-	83,125	81,799
Total incoming resources		5,221,320	1,531	5,222,851	5,516,545
<u>Resources expended</u>					
Fundraising and publicity costs		78,475		78,475	56,497
<u>Charitable expenditure</u>					
Grants payable	7	656,674	1,759	658,433	642,694
Teaching costs		2,748,909		2,748,909	2,607,674
Welfare		710,186		710,186	634,369
Premises		473,042	7,136	480,178	591,280
Support costs		694,664		694,664	709,741
Management and administration		117,201	1,110	118,311	63,431
Total resources expended	8	5,479,151	10,005	5,489,156	5,305,686
Net (expenditure)/income for the year/ Net movement in funds		(257,831)	(8,474)	(266,305)	210,859
Fund balances at 1 September 2004		75,349	131,325	206,674	(4,185)
Fund balances at 31 August 2005		(182,482)	122,851	(59,631)	206,674

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 AUGUST 2005**

	Notes	2005 £	£	2004 £	£
Fixed Assets					
Tangible assets	12	2,179,634		846,962	
Current Assets					
Stocks	13	6,286		6,916	
Debtors	14	433,493		477,360	
Cash at Bank and in hand		10,665		92,461	
		450,445		576,737	
Creditors: amounts falling due within one year	15	(1,544,262)		(927,620)	
Net current liabilities		(1,093,817)		(350,883)	
Total assets less current liabilities		1,085,817		496,079	
Creditors: amounts falling due after more than one year	16	(1,145,448)		(289,404)	
Net assets/(liabilities)		(59,631)		206,675	
Capital					
Restricted funds	18	122,851		131,325	
Unrestricted funds		(182,482)		75,350	
		(59,631)		206,675	

The accounts were approved by the Board on 25 February 2009



Mr M J Holland
Chairman of Governors

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2005**

	Notes	2005 £	2004 £
Net cash (outflow)/inflow from operating activities	20	(33,626)	137,838
Capital expenditure			
Payments to acquire tangible fixed assets	(1,430,869)	(20,792)	
Net cash outflow from capital expenditure		(1,430,869)	(20,792)
Net cash (outflow)/inflow before financing		(1,464,495)	117,046
Financing			
New other loan	300,000	-	-
New long term bank loan	950,000	-	-
Repayment of loan term bank loan	(50,405)	(28,046)	
Capital element of hire purchase and finance lease rentals	(4,455)	(12,932)	
Net cash inflow/(outflow) from financing		1,195,140	(40,978)
(Decrease)/increase in cash		(269,354)	76,068

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention.

The bank's continuing support is crucial to the trust's ongoing activities. The trust meets its day to day working capital requirements through an overdraft facility which is repayable on demand.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000, together with applicable accounting standards and the Charities Acts.

1.2 Incoming Resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Charitable expenditure comprises expenditure related to the direct furtherance of the charity's objects.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated	
Freehold buildings	2% straight line
Leasehold property	5% straight line
Computer equipment	16.67% straight line
Fixtures, fittings & equipment (non computer)	20% reducing balance
Motor vehicles	25% reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.5 Stock

Stock is valued at the lower of cost and net realisable value

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

1.6 Pensions

The trust contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The trust also contributes to a defined contribution scheme for non-teaching staff. Pension contributions are charged in the SOFA as they become payable in accordance with the rules of the schemes.

1.7 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2 Donations and legacies

	Total 2005 £	Total 2004 £
Donations and gifts	-	10,011

3 Activities in furtherance of the charity's objects

	2005 £	2004 £
Fees and Charges	5,110,420	5,393,238

4 Activities for generating funds

	2005 £	2004 £
Swimming pool income	3,150	3,810
Net income from trading	3,150	3,810

NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Other interest received	12,938	-	-	13,988
Bank interest receivable	11,687	1,531	-	13,699
	24,625	1,531	-	27,687

6 Other incoming resources

	2005 £	2004 £
Other income	3,751	1,557
Registration fees	6,700	5,305
Letting income	69,174	69,437
Administration charges	3,500	5,500
	83,125	81,799

7 Grants payable

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Grants to individuals (306 grants)	656,674	1,759	658,433	642,694

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

8 Total resources expended

	Staff costs	Depreciation	Other costs	Total 2005	Total 2004
	£	£	£	£	£
Costs of generating funds:					
Fundraising and publicity	-	-	78,475	78,475	56,497
Charitable expenditure:					
Grants payable	-	-	658,433	658,433	-
Teaching costs	2,592,921	-	155,988	2,748,909	2,607,674
Welfare	511,186	-	199,000	710,186	634,369
Premesis	11,746	56,880	411,552	480,178	591,280
Support costs	320,832	41,317	332,515	694,664	709,741
Management and administration	-	-	118,311	118,311	63,431
	3,436,685	98,197	1,875,799	5,410,681	4,606,495
	3,436,685	98,197	1,954,274	5,489,156	4,662,992
Other teaching costs comprise:					
Disbursements				113,145	136,721
Books				36,496	37,874
Sports equipment				4,041	4,089
NFER				1,136	1,160
Gannon Centre				1,170	1,877
				155,988	181,721
Other welfare costs comprise:					
Provisions				165,854	169,401
Laundry				1,454	2,404
Housekeeping				31,692	31,598
				199,000	203,403

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

Other premises costs comprise:

Rent - general	11,500	11,500
Rent - school	157,500	197,995
Rates	55,536	45,859
Insurance	48,900	35,210
Light and heat	62,823	53,418
Building maintenance	63,775	95,228
Grounds	10,624	16,541
Swimming pool	894	1,741
International college	-	15,009

	411,552	472,501
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Other support costs comprise:

Repairs and maintenance	20,833	35,564
Printing, postage and stationery	22,153	21,271
Telephone and fax	19,683	19,383
Motor expenses	65,884	64,930
Computer licensing	4,667	12,025
Computer	14,852	15,382
Commission	32,734	29,028
Bad debts	20,893	22,080
Course fees	6,207	4,711
Sundry	20,302	18,857
Subscriptions	8,673	8,651
Operating leases: plant and machinery	25,482	29,312
Operating leases: other	66,786	66,966
Inspections	3,366	9,164

	332,515	357,324
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Other management and administration costs comprise:

Legal and professional fees	7,953	27,055
Audit fees	3,025	2,525
Accountancy	4,679	2,940
Bank charges	5,948	5,447
Interest paid	95,596	24,477
Restricted fund accountancy	1,110	987

	118,311	63,431
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Management and administration costs include payments to the auditors of £3,025 (2004: £2,525) for audit fees and £5,798 (2004: £3,927) for other services.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

9 Governors

None of the governors (or any persons connected with them) received any remuneration during the year, but two were reimbursed travelling expenses totalling £290 (2004: £488).

A premium of £5,181 was paid during the year for public liability insurance, which included cover in respect of governors' liability.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2005 number	2004 number
Teaching	103	104
Office and matrons	23	22
Catering	13	14
Maintenance, cleaning and domestics	24	25
Drivers	15	16
	178	181

Employment costs

	Total 2005 £	Total 2004 £
Wages and salaries	2,984,248	2,800,824
Social security costs	223,738	212,215
Other pension costs	228,699	215,607
	3,436,685	3,228,646

The number of employees whose annual emoluments were £50,000 or more were:

	2005 number	2004 number
Management	2	2

Contributions totalling £4,320 (£2004: £4,139) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £50,000. Contributions were made to the Teachers' Pension Defined Benefits Scheme for one higher paid employee.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

11 Changes in resources available for charity use

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Net movement in funds for the year	(257,831)	(8,474)	(266,305)	210,859
Net increase in tangible fixed assets	(1,332,672)	-	(1,332,672)	78,320
Net movement in funds available for future activities	(1,590,503)	(8,474)	(1,598,977)	289,179

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

12 Tangible fixed assets

	Land and buildings freehold £	Long leasehold property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2004	212,733	1,071,473	790,844	16,545	2,091,595
Additions	1,396,745	-	34,124	-	1,430,869
At 31 August 2005	1,609,478	1,071,473	824,968	16,545	3,522,464
Depreciation					
At 1 September 2004	22,707	550,627	661,200	10,099	1,244,633
Charge for the year	3,305	53,575	38,101	3,216	98,197
At 31 August 2005	26,012	604,202	699,301	13,315	1,342,830
Net book value					
At 31 August 2005	1,583,466	467,271	125,667	3,230	2,179,634
At 31 August 2004	190,026	520,846	129,644	6,446	846,962

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 31 August 2005	1,854	3,230	5,084
At 31 August 2004	3,709	6,446	10,155
Depreciation charge for the year			
31 August 2005	1,855	3,216	5,071
31 August 2004	1,855	2,282	4,137

During the year the trust acquired Newlands Court freehold property. No depreciation has been charge on this freehold property during the year as the work required to bring the property up to an acceptable standard in which to teach was still in progress up until the balance sheet date.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

13 Stocks

	2005 £	2004 £
Provisions, books and stationery	6,286	6,916

14 Debtors

	2005 £	2004 £
Trade debtors	325,614	354,355
Loan to connected company	12,500	14,500
Amounts owed by group undertakings	3,263	3,386
Other debtors	984	10,210
Prepayments and accrued income	91,132	94,909
	433,493	477,360

Interest is charged at 2.5% over the bank base rate on the loan to the connected company Anglian Supplies Limited. Other amounts owed by the connected company are shown separately and relate to unpaid loan interest and management fees charged by Newlands (Seaford) Educational Trust at the year end.

15 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loans	69,535	28,060
Bank overdrafts	187,560	-
Other loans	300,000	-
Net obligations under finance lease and hire purchase contracts	2,076	4,455
Trade creditors	142,489	130,365
Fees received in advance	563,270	613,137
Taxes and social security costs	141,842	65,999
Other creditors	70,998	38,411
Accruals	66,491	47,193
	1,544,262	927,620

The other loan of £300,000 is secured by legal charge over the Newlands Court freehold property.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
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16 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loans	1,145,448	287,328
Net obligations under finance leases and hire purchase contracts	-	2,076
	1,145,448	289,404

Analysis of loans

Not wholly repayable within five years by instalments:

Bank loans	826,107	175,088
Wholly repayable within five years	688,876	140,300

	1,514,983	315,388
Included in current liabilities	(369,535)	(28,060)

	1,145,448	287,328
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Loan maturity analysis

Debt due in one year or less	369,535	28,060
In more than one year but not more than two years	79,835	28,060
In more than two years but not more than five years	239,505	84,180
In more than five years	826,107	175,088

	1,514,982	315,388
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The bank borrowings are secured by a fixed and floating charge over the assets of the charitable company, together with mortgages over the freehold property.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	2,076	4,455
Repayable between two and five years	-	2,076

	2,076	6,531
Included in liabilities falling due within one year		(4,455)

	2,076	2,076
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**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
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17 Pension costs

The trust participates in a multi employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the trust.

In accordance with the Teachers' Pension (Amendment) Regulations based on the latest actuarial valuation of the scheme issued in March 2003, the scheme has been attributed with notional assets equal to the actuarial value of the scheme liabilities as at 31 March 2001. Following this valuation the standard contribution rate was increased.

During the year the trust paid pension contributions of £217,324 (2004: £203,949) in respect of teachers' superannuation and £11,374 (2004: £11,658) to a defined contribution pension scheme. The assets of this latter scheme are held in an independently administered fund.

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2004 £	Movement in funds		Balance at 31 August 2005 £
		Incoming resources £	Resources expended £	
Appeal Fund	96,968	1,006	(8,246)	89,728
Zettie Clark Trust Fund	34,357	525	(1,759)	33,123
	131,325	1,531	(10,005)	122,851

The appeal fund relates to monies received towards the construction of a sports hall, expansion of the design and technology centre and building of a nursery school. A charge of £7,136 has been made to the fund to reflect the depreciation for the year on these buildings.

The Zettie Clark Trust Fund consists of monies donated in connection with the supportive learning Gannon Centre, with a special emphasis on helping those children who have dyslexic problems or language problems. The fund is used to give financial assistance for remedial tuition.

**NEWLANDS (SEAFORD) EDUCATIONAL TRUST
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19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2005 are represented by:			
Tangible fixed assets	2,089,906	89,728	2,179,634
Current assets	417,322	33,123	450,445
Creditors: amounts falling due within one year	(1,544,262)	-	(1,544,262)
Creditors: amounts falling due after more than one year	(1,145,448)	-	(1,145,448)
	(182,482)	122,851	(59,631)

20 Net cash (outflow)/inflow from operating activities

	2005 £	2004 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(266,305)	210,859
Depreciation of tangible fixed assets	98,197	99,111
Decrease in stocks	630	471
Decrease/(increase) in debtors	43,867	(4,141)
Increase/(decrease) in creditors	89,986	(168,462)
	(33,626)	137,838

21 Reconciliation of net cash flow to movement in net debt

	2005 £	2004 £
(Decrease)/increase in cash	(269,354)	76,068
New loan	(300,000)	-
New long term bank loan	(950,000)	-
Repayment of long term bank loan	50,405	28,046
Capital element of hire purchase and finance lease rentals	4,455	12,932
Movement in net debt	(1,464,494)	117,046
Net debt at 1 September 2004	(229,458)	(346,504)
Net debt at 31 August 2005	(1,693,952)	(229,458)

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22 Analysis of net debt

	At 1 September 2004 £	Cash flow £	Non-cash changes £	At 31 August 2005 £
Cash at bank and in hand	92,461	(81,794)	-	10,667
Bank overdrafts	-	(187,560)	-	(187,560)
		(269,354)		
Debt due within one year	(28,060)	(341,475)	-	(369,535)
Debt due after one year	(287,328)	(858,120)	-	(1,145,448)
Hire purchase and finance leases	(6,531)	4,455	-	(2,076)
		(1,195,140)		
	(229,458)	(1,464,494)	-	(1,693,952)

23 Commitments under operating leases

At 31 August 2005 the charitable company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005 £	2004 £	2005 £	2004 £
Expiry date:				
Within one year	10,500	-	4,678	4,082
Between two and five years	-	10,500	28,041	34,278
in over five years	157,500	157,500	6,741	-
	168,000	168,000	39,460	38,360

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24 Commitments

Under the terms of the property lease, the trust is legally obliged to redecorate the leasehold premises at least once in every five year period. This redecoration work is carried out on a rolling basis through the five year cycle.

The lease also requires the trust to keep the leasehold premises in "good and tenable repair and condition for school use (but to no higher standard)" and to execute such repairs as are deemed necessary by the landlord's surveyor and notified to the trust. The landlord's surveyor has served the trust with a list of dilapidations, but the trust disputes many items on the list.

The trust has a rolling maintenance programme and its budget for the forthcoming year includes a material sum in respect of certain items included on the notice of dilapidations. The necessary work will be carried out within the physical and financial constraints under which the school is operating, as certain work cannot be carried out during term time. The governors have taken legal advice and have been assured that they are complying with the terms of the lease.

25 Related Parties

During the year the company received loan interest of £979 and £3,500 for administration fees charged to Anglian Supplies Limited, the school uniform shop company owned and controlled by two of the governors.

Year end debtors include £12,500 owed by Anglian Supplies Limited in respect of a loan and £3,263 for unpaid loan interest and management fees.

During the year the trust paid £3,269 for consultancy services on employment issues to RVL Consultancy, a business which is run by the governor, Mr R Leleux. The trust also paid £7,908 for consultancy services on the Newlands Court project to The Winter Partnership, a business which is run by the governor, Mr S Cooper.

26 Future Events: Going Concern

In March 2006, the trust went into voluntary administration. The school re-opened in May 2006 in association with Newlands College Limited, an entity now managing the operation of the school.

During the administration process, all of the trusts assets were sold in order to settle its debts and ensure the continuation of the trust. The trust began providing teaching staff and expertise to the school again in September 2006 in conjunction with Newlands College Ltd.

The trusts going concern status is reliant on the continued support of Newlands College Limited.