

Egerton Rothesay School Limited

Registered number 2226604

Director's report and financial statements

For the year ended 31 August 2009

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EGERTON ROTHESAY SCHOOL LIMITED

COMPANY INFORMATION

Director	S J East
Company secretary	C Martin
Company number	2226604
Registered office	Durrants Lane Berkhamsted Herts HP4 3UJ
Auditors	Mazars LLP Chartered accountants & registered auditors Sovereign Court Witan Gate Milton Keynes MK9 2HP
Bankers	Bank of Scotland Buchan House Parkway Court Oxford Business Park Oxford OX4 4JY
Solicitors	Cooke Matheson Solicitors 8 Gray's Inn Square Gray's Inn London WC1R 5JQ

EGERTON ROTHESAY SCHOOL LIMITED

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EGERTON ROTHESAY SCHOOL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2009

The director presents his report and the financial statements for the year ended 31 August 2009

Director's responsibilities and statement of disclosure to auditor

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

EGERTON ROTHESAY SCHOOL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2009

Principal activities and review of the year

The principal activity of the company continued to be that of running an independent school

During the year, the company continued the implementation of the development plan defined which builds on the success of the school in developing a specialist approach for children who - for whatever reason - need a more supportive educational environment including specific educational special needs

This requires an enhanced focus to provide a more complete specialist school with children in groups 'banded' by need, each having various levels of class size and adult support, across the school. This has involved a considerable level of change and staff re-organisation, recruitment and training - all of which has taken time but continues to progress well

With this increased focus we continue to draw children from a wide area - made possible by our 11-route bus service - and to also act as specialist education provider to 9 Local Authorities who pay full fees for 17 and part fees for 20 'statemented' children to attend the Egerton Rothersey School

As we move through a time of economic difficulty the school is trying to ensure that its market is clearly defined and hopefully, as a specialist provider, it will be more than able to hold its market share. Work to improve its website and mailings to drive website viewing are a continuous part of our marketing and we now hold 6 Open Days per year for potential parents which are well attended

A key activity within the year has been the completion of a new building to provide additional facilities for younger children on the Durrants Lane site. This has provided us with the benefit of 'one school on one site' and enabled us then to sell the Charles Street premises

The school has continued to develop its links to the local Christian community as part of its own ministry. We intend to build further network links with both ministers and youth activities in the area both for the benefit of our own children and to enable them to make a contribution for others.

Going concern

The financial statements have been prepared on a going concern basis. Forecasts and business plans have been prepared which provide comfort that the company will continue to trade in the foreseeable future. We are anticipating the sale of Charles Street in the forthcoming year which will release monies to settle its liabilities. Accordingly I feel that the going concern basis is appropriate

Director

The director who served during the year was:

S J East

Provision of information to auditors

The director at the time when this Director's Report is approved has confirmed that

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

EGERTON ROTHESAY SCHOOL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2009

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 487 (2) of the Companies Act 2006. Therefore, the auditors, Mazars LLP, will be deemed to be reappointed for each succeeding financial year.

The report of the director has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the board on 5 January 2010 and signed on its behalf



S East
Director

EGERTON ROTHESAY SCHOOL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EGERTON ROTHESAY SCHOOL LIMITED

We have audited the financial statements of Egerton Rothersay School Limited for the year ended 31 August 2009, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 Auditors' 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its profit, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director were not entitled to prepare the financial statements and the Director's Report in accordance with the small companies regime.

EGERTON ROTHESAY SCHOOL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EGERTON ROTHESAY SCHOOL LIMITED

Mazars LLP

Mazars LLP STATUTORY AUDITOR

Chartered accountants

Registered auditors

Sovereign Court

Witan Gate

Milton Keynes

MK9 2HP

PHILIP VERITY (SENIOR
STATUTORY
AUDITOR)

Date 11 January 2010

EGERTON ROTHESAY SCHOOL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2009

	Note	2009 £	2008 £
Turnover	1	3,399,258	3,226,227
Cost of sales		(3,222,245)	(3,156,241)
Gross profit		177,013	69,986
Administrative expenses		(591,777)	(557,746)
Operating loss		(414,764)	(487,760)
Exceptional items			
Net profit on sale of tangible fixed assets	4	1,032,240	-
Profit/(loss) on ordinary activities before interest		617,476	(487,760)
Interest receivable	3	108	7,411
Interest payable		(34,709)	(49,824)
Profit/(loss) on ordinary activities before taxation		582,875	(530,173)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year		582,875	(530,173)

The notes on pages 8 to 12 form part of these financial statements

EGERTON ROTHESAY SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2009

Company Registration No: 2226604 (England and Wales)

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	6		1,394,678		1,224,423
Current assets					
Stocks		10,392		10,607	
Debtors	7	270,703		179,674	
Cash at bank and in hand		515,181		526,545	
		<u>796,276</u>		<u>716,826</u>	
Creditors: amounts falling due within one year	8	<u>(766,572)</u>		<u>(964,436)</u>	
Net current assets/(liabilities)			29,704		(247,610)
Total assets less current liabilities			<u>1,424,382</u>		<u>976,813</u>
Creditors: amounts falling due after more than one year	9		<u>(1,098,494)</u>		<u>(1,233,800)</u>
Net assets/(liabilities)			<u>325,888</u>		<u>(256,987)</u>
Capital and Reserves					
Called up share capital	11		10,000		10,000
Share premium account	12		5,269		5,269
Profit and loss account	12		<u>310,619</u>		<u>(272,256)</u>
Shareholders' funds/(deficit)			<u>325,888</u>		<u>(256,987)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

5 January 2010



S East
Director

EGERTON ROTHESAY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2009

1. Accounting Policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

The financial statements have been prepared on a going concern basis. Forecasts and business plans have been prepared which provide comfort that the company will continue to trade in the foreseeable future. The company released monies from the sale of Charles Street to settle its liabilities. Accordingly the director feels that the going concern basis is appropriate.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Fees received in advance are treated as deferred income.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight line
Plant and Machinery	-	12.5%, 25% and 33% straight line

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

EGERTON ROTHESAY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2009

2. Operating loss

The operation loss is stated after charging

	2009 £	2008 £
Depreciation of tangible assets owned by the company	55,662	51,898
Auditors' remuneration	7,250	5,878

During the year retirement benefits were accruing to no directors (2008 - 0) in respect of money purchase pension schemes

3. Investment income

	2009 £	2008 £
Bank interest	108	574
Other interest	-	6,837
	<u>108</u>	<u>7,411</u>

4. Exceptional items

	2009 £	2008 £
Net profit on sale of freehold property	<u>1,032,240</u>	<u>-</u>

The company disposed of the Charles Street site in accordance with its future business strategy

5. Taxation

	2009 £	2008 £
UK corporation tax charge on profit/loss for the year	<u>-</u>	<u>-</u>

There is no tax liability at the year end due to the availability of trading losses and rollover of any chargeable gain

EGERTON ROTHESAY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2009

6. Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 September 2008	1,421,132	451,947	1,873,079
Additions	400,265	53,719	453,984
Disposals	(312,000)	(99,358)	(411,358)
At 31 August 2009	1,509,397	406,308	1,915,705
Depreciation			
At 1 September 2008	241,410	407,246	648,656
Charge for the year	30,428	25,234	55,662
On disposals	(84,240)	(99,051)	(183,291)
At 31 August 2009	187,598	333,429	521,027
Net book value			
At 31 August 2009	1,321,799	72,879	1,394,678
At 31 August 2008	1,179,722	44,701	1,224,423

In the opinion of the Directors of Egerton Rothesay School Limited, the open market value of the freehold land and buildings is not significantly different to the value in the accounts in its current use

7. Debtors

	2009 £	2008 £
Trade debtors	226,118	155,537
Other debtors	44,585	24,137
	<u>270,703</u>	<u>179,674</u>

8. Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	48,157	275,000
Payments received on account	477,563	424,113
Trade creditors	104,644	69,824
Taxation and social security	96,845	49,339
Accruals	11,158	119,721
Other creditors	28,205	26,439
	<u>766,572</u>	<u>964,436</u>

EGERTON ROTHESAY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2009

**9. Creditors:
amounts falling due after more than one year**

	2009 £	2008 £
Bank loans	1,071,843	1,225,000
Payments received on account	26,651	8,800
	<u>1,098,494</u>	<u>1,233,800</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2009 £	2008 £
Repayable by instalments	<u>1,071,843</u>	<u>1,225,000</u>

Banking facilities are secured by the first legal charge over the site at Durrants Lane, Berkhamsted, Herts

10. Pension costs

Contributions are made to The Teachers' Superannuation Scheme (TSS), a defined benefit multi-employer pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly the company has accounted for the scheme as if it were a defined contribution scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £248,496 (2008: £154,743)

In addition, contributions are made to personal pension schemes. The pension cost charge represents contributions payable by the company into the schemes and amounted to £625 (2008: £614)

Contributions totalling £20,944 (2008: £19,486) were payable in respect of pensions at the year end and are included in creditors

11. Share capital

	2009 £	2008 £
Authorised, allotted, called up and fully paid 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

EGERTON ROTHESAY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2009

12. Statement of movements on reserves

	Share premium account £	Profit and loss account £
At 1 September 2008	5,269	(272,256)
Profit for the year	-	582,875
	<hr/>	<hr/>
At 31 August 2009	<u>5,269</u>	<u>310,619</u>

13. Financial commitments

As at 31 August 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2010:

	2009 £	2008 £
Operating leases which expire		
Within one year	48,493	19,917
Between two and five years	55,184	21,031
In over five years	6,605	12,404
	<hr/>	<hr/>
	<u>110,282</u>	<u>53,352</u>

14. Control

The ultimate parent company is Egerton Rothesay, a charitable company limited by guarantee and registered in England and Wales

Egerton Rothesay prepares group financial statements and copies can be obtained from Durrants Lane, Berkhamsted, Herts, HP4 3UJ

15. Related party transactions

The company has taken advantage of the available exemption from the requirement to disclose transactions with group companies on the grounds that it is a 90% owned subsidiary and that consolidated financial statements are prepared by the ultimate parent company