

**WESTBROOK HOUSE PREPARATORY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1998

Registered Company No: 3075902
Registered Charity No: 1048970



**Westbrook House Preparatory School
(Company Limited by Guarantee and Registered Charity)**

**Annual Accounts
For The Year Ended 31 August 1998**

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Westbrook House Preparatory School

Governors and Advisors

Governors:

RM De Haan (Chairman)
PR Bowden
Mrs YM Gilbertson
KB Kingston
Mrs S Melchers
CR Reynolds
DF Wharton

(Resigned 1 September 1997)

(Resigned 1 September 1997)

Secretary:

DF Wharton
Westbrook House Preparatory School
60 Shorncliffe Road
Folkestone
Kent
CT20 2NQ

Registered Auditors:

Reeves & Neylan
37 St Margarets Street
Canterbury
Kent
CT1 2TU

Solicitors:

Titmuss Sainer Dechert
2 Serjeants Inn
London EC4Y 1LT

Bankers:

National Westminster Bank Plc
Europa House
49 Sandgate Road
Folkestone
Kent CT20 1RW

Registered Office:

60 Shorncliffe Road
Folkestone
Kent
CT20 2NQ

Westbrook House Preparatory School

Trustees' & Governors' Report For The Year Ended 31 August 1998

The trustees' and governors' submit their report and the accounts which cover the year ended 31 August 1998.

Status And Objective

The company is limited by guarantee and does not have a share capital. The prime objective of the company is to maintain the school as an educational charity. It is registered with the Charity Commission under No 1048970.

Activity

On 1 September 1997 the school merged its educational activity with that of St Mary's College, Folkestone. The merged schools now operate as St Mary's Westbrook which is also a company limited by guarantee and a registered charity.

Accordingly the continuing activity of the company is now to provide support for the new school.

Business Review

The financial result for the year, after accounting for donations received, is net incoming resources of £77,587(1997 : £167,895). After further deduction of interest amounting to £30,813 the net movement in funds for the year are £46,774. This has been added to the surplus brought forward.

**Westbrook House Preparatory School
Trustees and Governors' Report
For The Year Ended 31 August 1998**

GOVERNORS

The following have served during the year:

R M De Haan (Chairman)	
P R Bowden	(Resigned 1 September 1997)
Mrs Y M Gilbertson	(Resigned 1 September 1997)
KB Kingston	
Mrs S Melchers	
C R Reynolds	
D F Wharton	

Fixed Assets

Subsequent to the year end the fixed asset properties of the company were disposed of (See note 11).

Year 2000 Issue

We have considered the impact of the Year 2000 issue upon the company's accounting and other functions and consider that no disclosure or provision is necessary in this respect in the financial statements for the year ended 31 August 1998.

Governors' Responsibilities

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, 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 financial statements 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 company and to enable them to ensure that the financial statements 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.

Auditors

A resolution to reappoint Messrs Reeves & Neylan as auditors will be put to the members at the next annual general meeting.

By order of the board.



D F Wharton
Secretary

29 June 1999

**Report of the Auditors
to the Members of
Westbrook House Preparatory School**

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 4 the Charity's Trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

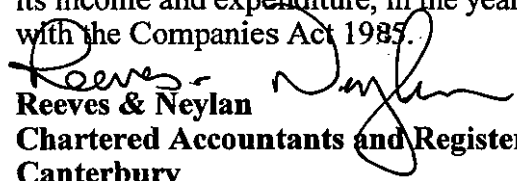
Basis Of Opinion

We conducted our audit in accordance with 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 governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, 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 charitable company's state of affairs as at 31 August 1998 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Reeves & Neylan
Chartered Accountants and Registered Auditors
Canterbury

29 JUNE 1999

**Westbrook House Preparatory School
Statement of Financial Activities
For The Year Ended 31 August 1998**

		1998	1997
Income and Expenditure			
Incoming Resources	Notes	£	£
Fees Receivable		0	647,361
Other Income	1	3,946	39,631
Donations		88,000	414,503
		<u>91,946</u>	<u>1,101,495</u>
RESOURCES EXPENDED			
Direct Charitable Expenditure	2		
Teaching Costs		0	509,311
Welfare		0	159,134
Other Expenditure			
Premises		10,833	144,307
Administration of School		3,526	100,819
Publicity		0	20,029
Total resources expended		<u>14,359</u>	<u>933,600</u>
NET INCOMING RESOURCES FOR THE YEAR		77,587	167,895
OTHER MOVEMENTS			
Exceptional items		0	(56,367)
Bank Interest Payable		(30,813)	(29,730)
NET MOVEMENTS IN FUNDS		<u>46,774</u>	<u>81,798</u>
BALANCE BROUGHT FORWARD AT 1 SEPTEMBER 1997		<u>13,560</u>	<u>(68,238)</u>
BALANCE CARRIED FORWARD AT 31 AUGUST 1998		<u>60,334</u>	<u>13,560</u>

The notes on pages 8 to 11 form part of these accounts.

All recognised gains and losses are reflected above.

All Incomes and Expenditures arise from unrestricted funds and relate to continuing activities.

**Westbrook House Preparatory School
Balance Sheet
31st August 1998**

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible fixed assets	5	<u>407,000</u>	<u>407,000</u>
CURRENT ASSETS			
Debtors	6	44,983	90,556
Cash at bank and in hand		<u>5,901</u>	<u>113,912</u>
		50,884	204,468
CREDITORS : Amounts falling due within one year	7	<u>(97,298)</u>	<u>(262,616)</u>
NET CURRENT LIABILITIES		<u>(46,414)</u>	<u>(58,148)</u>
TOTAL ASSETS Less CURRENT LIABILITIES		<u>360,586</u>	<u>348,852</u>
Creditors : Amounts falling due after more than one year	8		
Bank Loan		356,000	356,000
Pupils Deposits Held		-	35,040
		<u>356,000</u>	<u>391,040</u>
TOTAL NET ASSETS		<u>4,586</u>	<u>(42,188)</u>

Represented by

UNRESTRICTED ACCUMULATED FUND

Fund Surplus brought forward	13,560	(68,238)
Goodwill Written Off	(55,748)	(55,748)
Surplus for period	<u>46,774</u>	<u>81,798</u>
	<u>4,586</u>	<u>(42,188)</u>

Approved by the Board of Governors on ... 29th June ... 1999 and signed on its behalf by

.....
Roger De Haan

The notes on pages 8 to 11 form part of these accounts.

Westbrook House Preparatory School

ACCOUNTING POLICIES

1 Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting by Charities.

2 Tangible Fixed Assets

Depreciation on the following tangible fixed assets is provided on a straight line basis to write down assets to their estimated residual value over their expected useful lives.

Furniture and equipment	0% - 25%
Motor vehicles	33%

No depreciation is provided on Freehold land and property. It is the governors' policy to maintain property in such condition that the value to the business is not impaired by the passage of time.

3 Stocks

Stocks are valued at the lower of cost and net realisable value.

4 Taxation

The company is an Educational Charity. The accounts are prepared on the basis that there is no liability to corporation tax. Any income tax suffered by deduction from donations received is recoverable.

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities

5 Incomes

Fees consist of charges for the period ending 31 August, less bursaries and allowances. Other income is accounted for on an accruals basis. Donations are accounted for on a cash received basis.

6 Expenditures

Expenditure is accounted for on the accrual basis and is allocated to expense headings on a direct cost basis. VAT is irrecoverable and is included within the item of expense to which it relates. Renewals of furniture and equipment are written off as incurred.

7 Goodwill

Purchased goodwill is written-off in the period of acquisition.

Westbrook House Preparatory School
Notes to the Accounts for the year ended 31 August 1998

1 OTHER INCOME	1998	1997
	£	£
Release of brought forward debt provision	3,598	-
Registration Fees	-	4,600
Rents and lettings	-	14,491
Sundry income	348	20,540
	<u>3,946</u>	<u>39,631</u>

2 ANALYSIS OF DIRECT CHARITABLE EXPENDITURE				1997
	Staff Costs	Other	Depreciation	Total
	£	£	£	£
Teaching costs				-
Catering, boarding house, cleaning and games costs				509,311
Premises		10,833		-
Administration of the school		3,526		159,134
Publicity costs				144,307
				100,819
				20,029
	<u>-</u>	<u>14,359</u>	<u>-</u>	<u>933,600</u>

3 STAFF COSTS	1998	1997
	£	£
Wages and Salaries	-	505,960
Social security costs	-	35,362
Other Pension costs	-	26,898
	<u>-</u>	<u>568,220</u>

The average number of employees (including part-time) in the period was:-

	1998	1997
Teaching	-	28
Catering, Matrons, cleaners	-	5
Maintenance	-	3
Administration	-	4
	<u>-</u>	<u>40</u>

The Governors received no remuneration.

4 NET INCOMING RESOURCES FOR THE YEAR	1998	1997
	£	£
Net incoming resources are arrived at after charging	-	-
Depreciation	-	7,214
Auditors' remuneration	1,000	4,112
Interest Payable - Bank loans	30,813	19,855
- Other loans	-	9,875
	<u>-</u>	<u>9,875</u>
Exceptional items - Charged/(Credited)		
- Donation of Assets upon merger	-	93,907
- Merger costs	-	21,243
- Redundancy costs	-	(1,980)
- Book surplus sale of freehold property	-	(33,171)
- Dover College Loan adjustment	-	(23,632)
	<u>-</u>	<u>56,367</u>

Westbrook House Preparatory School
Notes to the accounts for the year ended 31 August 1998

5 TANGIBLE FIXED ASSETS

	Freehold Property	Furniture & Equipment	Motor Vehicles	TOTAL
	£	£	£	£
Cost -				
At 31 August 1997	407,000			407,000
Additions at cost	-		-	-
At cost 31 August 1998	<u>407,000</u>	-	-	<u>407,000</u>
Depreciation -				
At 31 August 1997	-	-	-	-
Depreciation charge for period	-	-	-	-
At 31 August 1998	-	-	-	-
Net Book Value 31 August 1997	<u>407,000</u>	-	-	<u>407,000</u>
Net Book Value 31 August 1998	<u>407,000</u>	-	-	<u>407,000</u>

6 DEBTORS

	1998	1997
	£	£
Pupil Fees	-	26,725
Other debtors	44,983	63,831
	<u>44,983</u>	<u>90,556</u>

7 CREDITORS - amounts falling due within one year

	1998	1997
	£	£
Net Loan repayable - Dover College	-	75,781
Trade creditors	-	47,827
Other taxes and social security	-	12,435
Other creditors	42,384	82,648
Accruals	54,914	40,250
Fees in advance	-	3,675
	<u>97,298</u>	<u>262,616</u>

The loan from Dover College was due for repayment on July 1 1997, Agreement and settlement occurred in July 1998.

8 CREDITORS - amounts falling due after more than one year

	1998	1997
	£	£
Bank	356,000	356,000
Pupils' deposits held	-	35,040
	<u>356,000</u>	<u>391,040</u>

The bank loan is secured by a fixed charge over the company's properties. The loan was repaid in full on 11 september 1998. (Note 11) Interest is charged at 1.75% over base rates.

Westbrook House Preparatory School
Notes to the accounts for the year ended 31 August 1998

9 ACCUMULATED FUNDS AND MEMBERS' GUARANTEE

In accordance with the company's articles of association any surpluses are carried forward to be applied solely towards the promotion of the objects of the company and as such no amounts are available for distribution.

The company is a company limited by guarantee and every member undertakes to contribute to the assets of the company. In the event of its being wound up while they are members, or within one year after they cease to be members, their liability is limited to £10 each.

10 CAPITAL COMMITMENTS

As at 31 August 1998 there were no capital commitments either contracted for or authorised.

11 POST BALANCE SHEET EVENTS

At 31 August 1998 current liabilities exceeded current assets by £46,414, and the company had net assets of £4,586.

Since 31 August 1998 the company has received donations amounting to £28,500.

In September 1998 consideration of £410,000 was received from the De Haan Charitable Trust for the freehold and leasehold properties of the company, prior to the grant by the De Haan Charitable Trust to St Mary's Westbrook of leases on each of those properties. At 31 August 1998 these properties are recorded in the balance sheet of the company at £407,000. They were independently valued in February 1998 at £410,000.

The consideration received from the sale of the properties was used to discharge the Company's bank loan. At the balance sheet date the bank loan balance stood at £356,000 (note 8).

Any future operations of the company and its ability to discharge its liabilities are dependent upon the successful outcome of appeals for funds from charitable trusts and other persons associated with the School.

The Governors remain confident that adequate resources will be available to the company.