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COMPANY NO. 2829156

MANOR LODGE SCHOOL

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2008

THURSDAY



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COMPANIES HOUSE

J DANIELS
Chartered Accountants & Registered Auditors

& CO

1 Chase Side Crescent, Enfield, Middlesex, EN2 0JA

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J.A. Daniels F.C.A.

MANOR LODGE SCHOOL

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2008

| CONTENTS | PAGE |
|--|-------------|
| Directors' Report | 1 - 5 |
| Statement of Directors' Responsibilities | 6 |
| Auditor's Report | 7 |
| Statement of Financial Activities | 8 |
| Balance Sheet | 9 |
| Notes to the Accounts | 10 - 14 |

The following pages do not form part of the Statutory Accounts:

| | |
|---|---------|
| Detailed Income and Expenditure Account | 15 - 16 |
|---|---------|

A Company Limited by Guarantee**DIRECTORS' REPORT****FOR THE YEAR ENDED 31ST AUGUST 2008**

The Board of Directors present their annual report for the year ended 31 August 2008 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 1985, the Company's Memorandum and Articles of Association and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (The Charities SORP 2005) as issued in its revised form by the Charity Commission on 4 March 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

Manor Lodge School Ltd (the Company) was incorporated as a company on 22 June 1993 and commenced activities on 19 November 1993. The Company changed its name from Forestpost Limited to Manor Lodge School Limited on 4 May 1995, and arranged pursuant to Section 60(1) (a) of the Companies Act 1985 to have the word "Limited" omitted from the Company name. The liability of its members is limited to £1 each by guarantee. The School registered as a Charity with the Charity Commissioners on 25 August 1995, number 1048874.

The Registered Office and principal address of the Company is at Manor Lodge School, Rectory Lane, Ridge Hill, Shenley, Radlett, Hertfordshire WD7 9BG. Its registered company number is 2829156.

Directors

The Directors of the Company, who are also the Governors of the School and the Charity Trustees, and who served on the Board of Directors during the year were:

| | |
|---|--|
| A J Phipps # (Chairman) | D Arnold # @ |
| M Brahams # (appointed 6 March 2008) | M J Higham * |
| D M Lavelle * (resigned 31 August 2008) | S Patel # (resigned 6 March 2008) |
| A Smith * | Mrs. P Smith * (resigned 31 August 2008) |
| M Wagner # (appointed 6 March 2008) | S Wilson * |

Member of Finance and General Purposes Committee

@ Member of Health and Safety Committee

* Member of Education Committee

Key Executives and professional advisors

| | |
|--|---|
| The Head | Mrs. J M Smart B.A., Cert. Ed. |
| Deputy Head | G T Dunn Cert. Ed. |
| The Bursar, Company Secretary & Clerk to the Governors | Ian Smart Esq |
| Bankers | Allied Irish Bank, 100 Gray's Inn Road, London WC1X 8AL |
| Solicitors | Ottaways, The Mansion, 1 St. Peter's Street, St. Albans, Hertfordshire AL1 3DJ |
| Auditors | J Daniels & Co, 1 Chase Side Crescent, Enfield, Middlesex EN2 0JA |
| Insurance Brokers | HSBC Insurance Brokers (UK) Ltd, Schools Division, Rockwood House, 9 - 17 Perrymount Road, Haywards Heath, West Sussex RH16 3DU |

A Company Limited by Guarantee

DIRECTORS' REPORT - continued

FOR THE YEAR ENDED 31ST AUGUST 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, originally drawn up on 1 June 1993 and last amended on 14 March 2002.

Governing Body

The Governors, who are also required under the Articles to serve as Directors of the Company and members of the Charitable Trust, are elected at a full Governors' meeting on the basis of professional or business experience, specialist skills and personal competence. Mr. D Lavelle and Mrs. P Smith had children at the School during the year under review.

Governors are appointed for a term of three years. They can be re-elected.

Induction and training of Trustees

New Governors are inducted into the workings of the Charitable Trust as a school and also as a registered charity, including its Board Policy and Procedures.

Organisational structure

The Governors meet as a Board at least once a term to determine the general policy of the Company and to review its overall management and control, for which they are legally responsible. The implementation of most of the Board's policies is carried out by the Finance and General Purposes Committee (chaired by Mr. A J Phipps) and the Education Committee (chaired by Mr. M J Higham). These Committees meet at least once a term, prior to the full Governors' Meeting, to review the budget, monthly management accounts, annual report and accounts and all other relevant matters. The Health and Safety Committee (chaired by Mr. D Arnold) reviews the School's work and leisure practices and monitors Risk Assessments.

The day to day management of the School is delegated to the Head and the Bursar, supported by other members of the senior management team.

Relationships

The School is an active member of the Independent Association of Prep Schools, the professional association for Heads and Deputy Heads of the leading 600 independent prep schools in the UK and worldwide. Teaching members of the senior management team regularly attend discussion forums with their peers from other preparatory schools in the area in order to enhance the quality and scope of the lessons given within the School.

A Parents' Committee meets regularly to organise and run social activities in order to raise funds for the promotion of the School. In the year under review more than £12,000 was raised in this manner.

The School regularly raises funds and goods through collections at Harvest Festival assemblies, house cake sales, French Breakfasts and a Christmas appeal to support a number of local charities including the local RSPCA sanctuary, Oaktree Manor Residential Home, a local hospice, the Fleetville Family Centre and a major charity chosen each academic year.

The School makes its premises and facilities available to local organisations free of charge, amongst others the Radlett Youth Orchestra.

A Company Limited by Guarantee

DIRECTORS' REPORT - continued

FOR THE YEAR ENDED 31ST AUGUST 2008

The School has registered as an Eco School, and has become part of an international group of schools working towards education for sustainable development and a better quality of life for local and global communities. This provides a framework to enable analysis of operations and assists the School to become a more sustainable community. By following this programme the School will become a more stimulating place in which to learn, whilst reducing the environmental impact on the community. The children's involvement is the key part of the programme and to this end they have been involved right from the start in activities such as producing ideas for recycling, reducing and re-using, decision making, monitoring and action planning. The School has now gained the Eco School's Silver Award.

The School is keen to promote links with other local schools. During the Summer term Year 6 developed some books in association with their counterparts at Radlett Lodge School, who came to visit us; it is hoped to repeat and expand upon this activity in future years.

Risk management

The Board of Directors continues to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Objects of the Company, in accordance with its Memorandum of Association, are to advance education in particular by establishing and carrying on in Great Britain (and any other countries) schools at or by means of which students may obtain education and instruction in all subjects whatsoever that may be included in a commercial, technical, scientific, classical or academic education, or may be conducive to knowledge of or skill in any trade, pursuant or calling.

Strategic aim and intended effect

The School's strategic aim is the attainment of the highest levels of education, whilst allowing pupils to benefit from our extra-curricular clubs and activities. This is intended to draw out their abilities and academic potential and develop wider interests in life and motivate them for a successful outcome at their chosen senior school.

Objectives and strategies for the year

The Board's main objective continued to be the promotion of high academic standards combined with financial prudence. The strategy for achieving this is to maintain good teacher-to-pupil ratios and to provide the resources deemed necessary by the Head, senior management team and Education Committee.

Principal activity

The principal activity of the School continues to be the provision of education for children aged between 3 and 11. The School is set in an attractive 10 acre site within easy reach of the M25, St. Albans, Potters Bar and Cuffley, Radlett, Elstree, Stanmore and Edgware, and most other parts of north-west London.

Bursaries and other fee reduction schemes

During the year 24 pupils benefited from the staff fee reduction scheme, multi-children discounts and bursaries, the last calculated on a means-tested basis for new awards. Such benefits reduced annual fee income by approximately £48,000.

A Company Limited by Guarantee

DIRECTORS' REPORT - continued

FOR THE YEAR ENDED 31ST AUGUST 2008

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

The number of children attending the School was slightly above budget, with 383 pupils on roll in the main School at the academic year end, and a substantial waiting list. Academic results were again extremely good, with many Year 6 children gaining scholarships for both academic and musical prowess. All Year 6 pupils moved forward to the secondary schools of their choice, both independent and state schools.

The long-awaited Nursery commenced operations in January 2008 with just 14 on roll, but it is pleasing to report that the Nursery is now approaching capacity.

The new dining hall was completed on time, and under budget, and was in use for the commencement of the Autumn term 2008. It is a high quality building and has proved to be a great success with both pupils and staff alike.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Company's net incoming resources for the year of £116,845 (2007: £112,160) is set out in the statement of financial activities.

Reserves

Note 12 to the financial statements shows the assets and liabilities attributable to the various funds by type. The Statement of Financial Activities summarises the movements on each fund. At the year end, unrestricted funds amounted to £2,143,053 but none of this is freely available because the funds are invested in fixed assets or are designated to cover capital expenditure planned for the future.

It will be some years before all bank loans are repaid and the School has funds available to be maintained in appropriate cash reserves. Once this position arises the Board has concluded that, to allow the School to be managed efficiently and to provide a buffer for uninterrupted services, a general cash reserve that equates to six months of overhead expenditure should be built up and maintained.

Over the past few years a provision of £400,000 has been created for future development costs. This was increased to £550,000 in the year under review, and an existing provision for major repairs amounting to £250,000 was increased to £350,000. The provision for future pension costs of £161,700 was increased by £20,000.

Capital expenditure

The need to maintain and enhance the infrastructure of the School resulted in capital expenditure for the year of nearly £1.2 million, as summarised in Note 6 to the accounts. This included significant expenditure on the new Dining Hall, the Nursery, IT equipment and the refurbishment of a specialist Music Room.

Investment policy

Cash balances are reviewed on a daily basis, and all cash that is surplus to requirements is placed in a high interest deposit account.

Freehold properties

In the opinion of the Directors, the value of the freehold land and permanent buildings is substantially more than the book value.

A Company Limited by Guarantee

DIRECTORS' REPORT - continued

FOR THE YEAR ENDED 31ST AUGUST 2008

FUTURE PLANS

The School has applied for planning consent for the change of use of some 2.5 acres at the rear of the School from Agricultural use to Sports Facilities. This will provide additional first class football and rugby pitches, together with a cricket pitch. If consent is obtained, it is anticipated that work will commence in March 2009 and that the pitches should be available for use from September 2009.

The School also intends to apply for planning consents to provide (i) appropriate changing facilities for the new sports grounds, and (ii) a covered play area at the rear of the reception classrooms to comply with recent changes to Early Years Foundation Stages requirements.

AUDITORS

In accordance with Sections 485 and 487 of the Companies Act 2006, a resolution proposing the re-appointment of Messrs. J Daniels & Co as Auditors to the Company will be put to the Annual General Meeting.

Approved by the Board of Governors on *5th March* 2009 and signed on its behalf by:

.....
A J Phipps
Chairman



Rectory Lane
Ridge Hill
Shenley, Radlett
Hertfordshire WD7 9BG

A Company Limited by Guarantee

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31ST AUGUST 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the Directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company Law requires the Directors 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 profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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 error, fraud and other irregularities.

TO THE MEMBERS OF MANOR LODGE SCHOOL**FOR YEAR ENDED 31ST AUGUST 2008****REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MANOR LODGE SCHOOL**

We have audited the Financial Statements of Manor Lodge School for the year ended 31st August 2008 on pages 8 to 14, which have been prepared under the historical cost convention and the accounting policies set out on Page 10.

This report is made solely to the charity's trustees, as a body, in accordance with S. 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this audit report, or the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As described on page 1, the charity's trustees who are also the directors of Manor Lodge School for the purposes of company law, are responsible for the preparation of Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Trustees is not consistent with the Financial Statements, if the charitable company 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 company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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 charitable Company's affairs as at 31st August 2008 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.

**J. Daniels & Co.
1 Chase Side Crescent
Enfield
Middx
EN2 0JA**

Registered Auditors

Date :

*A Company Limited by Guarantee***STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST AUGUST 2008**

| | <u>Notes</u> | <u>Unrestricted Funds</u> £ | <u>Restricted Funds</u> £ | <u>Total 2008</u> £ | <u>2007</u> £ |
|---|--------------|------------------------------------|----------------------------------|----------------------------|------------------|
| INCOMING RESOURCES | | | | | |
| Fees Receivable | | 3,038,461 | - | 3,038,461 | 2,802,067 |
| Registrations | 2 | 11,150 | - | 11,150 | 10,170 |
| Miscellaneous Income | | 249,448 | - | 249,448 | 235,302 |
| Bank Interest | | 27,938 | - | 27,938 | 30,447 |
| Donations | 1(g) | 1,400 | - | 1,400 | - |
| Total Incoming Resources | | <u>3,328,397</u> | <u>-</u> | <u>3,328,397</u> | <u>3,077,986</u> |
| RESOURCES EXPENDED | | | | | |
| Charitable Expenditure | | | | | |
| Teaching Costs | | 1,708,243 | - | 1,708,243 | 1,635,579 |
| Housekeeping | | 167,728 | - | 167,728 | 194,948 |
| Premises | | 770,414 | - | 770,414 | 607,823 |
| Administration of the School | | 423,286 | - | 423,286 | 396,847 |
| Restricted Funds - Depreciation | | - | 83 | 83 | 83 |
| Finance and Other Costs | | 82,274 | - | 82,274 | 70,395 |
| Management and Administration of the Charity | | 59,524 | - | 59,524 | 60,151 |
| Total Resources Expended | | <u>3,211,469</u> | <u>83</u> | <u>3,211,552</u> | <u>2,965,826</u> |
| NET INCOMING RESOURCES | | 116,928 | (83) | 116,845 | 112,160 |
| Balances brought forward | | 2,026,125 | 3,048 | 2,029,173 | 1,917,013 |
| BALANCES CARRIED FORWARD | | <u>2,143,053</u> | <u>2,965</u> | <u>2,146,018</u> | <u>2,029,173</u> |

The attached notes form part of these Accounts.

A Company Limited by Guarantee

BALANCE SHEET

AS AT 31ST AUGUST 2008

| | <u>Notes</u> | <u>£</u> | <u>2008</u> <u>£</u> | <u>£</u> | <u>2007</u> <u>£</u> |
|---|--------------|----------------|-------------------------|----------------|-------------------------|
| TANGIBLE FIXED ASSETS | 6 | | 4,626,271 | | 3,656,768 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 44,158 | | 56,607 | |
| Investments | 8 | 219,500 | | 538,558 | |
| Cash at Bank and in hand | | 480,899 | | 236,933 | |
| | | <u>744,557</u> | | <u>832,098</u> | |
| CURRENT LIABILITIES | | | | | |
| Creditors : Amounts due within one year | 10 | 828,153 | | 820,418 | |
| | | | | | |
| NET CURRENT ASSETS/LIABILITIES | | | (83,596) | | 11,680 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>4,542,675</u> | | <u>3,668,448</u> |
| CREDITORS : Amounts due after more than one year | 10 | | 1,496,657 | | 989,275 |
| | | | | | |
| TOTAL NET ASSETS | | | <u>3,046,018</u> | | <u>2,679,173</u> |
| RESTRICTED FUNDS | | | | | |
| Friends of Manor Lodge | 7(a) | | 2,965 | | 3,048 |
| Provision for Major Repairs | 7(b) | | 350,000 | | 250,000 |
| Provision for Development Costs | 7(b) | | 550,000 | | 400,000 |
| UNRESTRICTED FUNDS | | | | | |
| Retained Income | 7(c) | | 2,143,053 | | 2,026,125 |
| | | | | | |
| TOTAL FUNDS | 12 | | <u>3,046,018</u> | | <u>2,679,173</u> |

Approved by the Board of Governors on *5th March* 2009 and signed on its behalf by:

.....
A J Phipps
Chairman



The attached notes form part of these Accounts.

A Company Limited by GuaranteeNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST AUGUST 2008**1. ACCOUNTING POLICIES****a. Basis of Preparation**

The accounts are prepared under the Companies Act 1985 on the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, for Accounting and Reporting by Charities: the Charities SORP 2005.

b. Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost over its expected useful life, as follows:

| | |
|-------------------------|-------------------|
| Freehold buildings | 2% straight line |
| Furniture and equipment | 20% straight line |
| Computer equipment | 25% straight line |

c. Cash Flow Statement

The Company qualifies as a small company and as such is exempt from the requirement to prepare a cash flow statement under FRS1 (revised) Cash Flow Statement.

d. Fees

Fees receivable consist of charges billed for the school year ended 31st August. Fees received for education to be provided in future years are carried forward as fees paid in advance.

e. Teaching Materials

Supplies of games equipment, books, stationery and sundry materials are written off as an expense as soon as the cost of procuring them is incurred.

f. Pension Schemes

The school contributes to the Teachers' Superannuation Scheme at rates set by the scheme actuary. The school also contributes to personal pension schemes for non-teaching staff.

g. Donations

Donations subject to specific wishes of the donors are treated as restricted funds. Donations received for the general purpose of the school are treated as unrestricted funds.

2. OTHER INCOME**2008**

£

Registration Fees

11,150**3. EXPENDITURE****2008**

£

Other expenditure includes:

Auditor's Remuneration

12,496

Life Assurance

6,639

A Company Limited by GuaranteeNOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST AUGUST 2008**4. ANALYSIS OF RESOURCES EXPENDED**

| | <u>Staff Costs</u> £ | <u>Other</u> £ | <u>Depreciation</u> £ | <u>Total</u> £ |
|---|-----------------------------|-------------------|--------------------------|-------------------|
| Direct Charitable Expenditure: | | | | |
| Teaching Costs | 1,597,351 | 110,892 | - | 1,708,243 |
| Housekeeping | 40,122 | 165,501 | - | 205,623 |
| Premises | 81,517 | 564,685 | 86,317 | 732,519 |
| Administration of the School | 162,131 | 131,755 | 129,400 | 423,286 |
| Restricted Funds | - | - | 83 | 83 |
| Finance and Other Costs | - | 82,274 | - | 82,274 |
| Management and Administration of the Charity | 59,524 | - | - | 59,524 |
| | <u>1,940,645</u> | <u>1,055,107</u> | <u>215,800</u> | <u>3,211,552</u> |

5. STAFF COSTS

| | <u>2008</u> £ | <u>2007</u> £ |
|-----------------------|------------------|------------------|
| Social Security Costs | 132,079 | 124,050 |
| Wages and Salaries | 1,606,874 | 1,526,193 |
| Pension Costs | 182,257 | 158,897 |
| Other Staff Costs | 19,435 | 24,274 |
| | <u>1,940,645</u> | <u>1,833,414</u> |

The average number of employees during the year was made up as follows:

| | <u>2008</u> <u>No.</u> | <u>2007</u> <u>No.</u> |
|-----------------------------|---------------------------|---------------------------|
| Teaching and Administration | <u>76</u> | <u>67</u> |

A Company Limited by GuaranteeNOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST AUGUST 2008

6. TANGIBLE FIXED ASSETS

| | <u>Computer Equipment</u> | <u>Equipment, Fixtures and Fittings</u> | <u>Freehold Property</u> | <u>Total</u> |
|---------------------------------|-------------------------------|---|------------------------------|------------------|
| | £ | £ | £ | £ |
| <u>Cost or Valuation</u> | | | | |
| As at 1st September 2007 | 268,021 | 670,744 | 3,784,808 | 4,723,573 |
| Additions | 23,264 | 47,812 | 1,114,227 | 1,185,303 |
| | ----- | ----- | ----- | ----- |
| As at 31st August 2008 | 291,285 | 718,556 | 4,899,035 | 5,908,876 |
| <u>Depreciation</u> | | | | |
| As at 1st September 2007 | 181,328 | 401,413 | 484,064 | 1,066,805 |
| Charge for Year | 37,787 | 91,613 | 86,400 | 215,800 |
| | ----- | ----- | ----- | ----- |
| As at 31st August 2008 | 219,115 | 493,026 | 570,464 | 1,282,605 |
| <u>Net Book Value</u> | | | | |
| As at 31st August 2008 | <u>72,170</u> | <u>225,530</u> | <u>4,328,571</u> | <u>4,626,271</u> |
| As at 31st August 2007 | <u>86,693</u> | <u>269,331</u> | <u>3,300,744</u> | <u>3,656,768</u> |

7. FUNDS

| a) Restricted Funds | <u>Balance at 1-09-07</u> | <u>Incoming Resources</u> | <u>Depreciation/ Expenses</u> | <u>Balance at 31-8-08</u> |
|---------------------------------------|-------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| | £ | £ | £ | £ |
| Friends of Manor Lodge School: | | | | |
| Football Pitch | <u>3,048</u> | = | <u>83</u> | <u>2,965</u> |

"Restricted Funds" are subject to specific trusts which arise from a donor's wishes or from the terms of an appeal.

- b) A further provision of £100,000 has been made for future Major Repairs and a further provision of £150,000 for future Building Development Costs.

| | <u>2008</u> | <u>2007</u> |
|-----------------------|------------------|------------------|
| | £ | £ |
| c) Unrestricted Funds | <u>2,143,053</u> | <u>2,026,125</u> |

The unrestricted funds are retained as necessary to cover working capital.

*A Company Limited by Guarantee***NOTES TO THE ACCOUNTS - continued****FOR THE YEAR ENDED 31ST AUGUST 2008**

| | | |
|--|------------------|----------------|
| 8. INVESTMENTS | 2008 | 2007 |
| | £ | £ |
| Bank - Deposit Account | 5,000 | 341,000 |
| Bank - Parents Deposit | 214,500 | 197,558 |
| | <u>219,500</u> | <u>538,558</u> |
| | | |
| 9. DEBTORS | 2008 | 2007 |
| Amounts falling due within one year: | £ | £ |
| Fees Receivable | 1,112 | 6,293 |
| Prepayments | 36,656 | 37,376 |
| Other Debtors | 6,390 | 12,938 |
| | <u>44,158</u> | <u>56,607</u> |
| | | |
| 10. CREDITORS | 2008 | 2007 |
| Amounts falling due within one year: | £ | £ |
| Social Security payable and other Taxation | 41,359 | 38,619 |
| Other Creditors and Accruals | 524,693 | 509,027 |
| Fees Paid in Advance | 262,101 | 272,772 |
| | <u>828,153</u> | <u>820,418</u> |
| | | |
| | 2008 | 2007 |
| Amounts falling due after one year: | £ | £ |
| Long Term Mortgage 1 | 775,761 | 791,775 |
| Long Term Mortgage 2 | 506,396 | - |
| Deposits Held | 214,500 | 197,500 |
| | <u>1,496,657</u> | <u>989,275</u> |

In December 2004 a 20 year variable rate mortgage was taken out with the School's bankers to assist with the purchase of the property and adjoining land at Shenley Lodge Cottage. This may be converted to a fixed rate mortgage at any time should this prove beneficial.

In July 2008 a second 20 year variable rate mortgage was taken out with the School's bankers to assist with the construction of a new dining hall. This is an offset mortgage whereby, provided that the funds in the School's current account exceed the outstanding principal amount, interest is charged at a minimal rate.

A Company Limited by GuaranteeNOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST AUGUST 2008**10. CREDITORS Continued****BANK SECURITY**

The facilities provided by the bank are secured as follows:-

Mortgage debenture 04/04/2003 executed by Manor Lodge School over all the assets of the company.

First legal mortgage dated 04/04/2003 executed by Manor Lodge School over entire land and buildings at Manor Lodge School Rectory Lane, Ridge Hill, Shenley, Radlett, Herts WD7 9BG.

First legal mortgage dated 26/09/2003 executed by Manor Lodge School over Shenley Lodge Cottage, Shenley, Radlett. Herts.

11. CHARITABLE STATUS

On 25th August 1995 the Company was registered as a Charity.

12. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

| | <u>Fixed Assets</u> | <u>Net Current Assets/ Liabilities</u> | <u>Long Term Liabilities</u> | <u>Provision for Development/ Repair Costs</u> | <u>Total</u> |
|---------------------------------|-------------------------|--|----------------------------------|--|------------------|
| | £ | £ | £ | £ | £ |
| Restricted Funds: | | | | | |
| Friends of Manor Lodge School | 2,965 | - | - | - | 2,965 |
| Provision for Major Repairs | - | - | - | 350,000 | 350,000 |
| Provision for Development costs | - | - | - | 550,000 | 550,000 |
| Unrestricted Funds: | | | | | |
| Retained Income | 4,623,306 | (83,596) | (1,496,657) | (900,000) | 2,143,053 |
| | <u>4,626,271</u> | <u>(83,596)</u> | <u>(1,496,657)</u> | = | <u>3,046,018</u> |

13. RELATED PARTY DISCLOSURES

There are no related party transactions to disclose.