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**FORESTPOST LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST JULY 1995**



**J DANIELS**  
**Chartered Accountants & Registered Auditors**

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J.A. Daniels F.C.A.

**8 CO**

**FORESTPOST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST JULY 1995**

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<b>CONTENTS</b>	<b>PAGE</b>
Directors Report	1
Auditors Report	2
Income and Expenditure Account	3
Balance Sheet	4
Notes to the Financial Statements	5 - 8

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The following page does not form part of the Statutory Accounts:

Detailed Income and Expenditure Account	9
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**DIRECTORS REPORT**

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The Directors present their report and the Audited Financial Statements for the year ended 31st July 1995.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company's principal activity during the period was that of a Private Preparatory School. The Directors consider the state of the financial affairs of the Company to be satisfactory.

The Company operates under the title Manor Lodge School.

**RESULTS AND DIVIDENDS**

The surplus for the year (after taxation) amounted to £31,412. It is recommended that the surplus for the year be transferred to the Accumulated Capital Fund.

**SIGNIFICANT CHANGES IN FIXED ASSETS**

Significant changes in Fixed Assets are shown in the Notes to the Accounts.

**DIRECTORS**

The Directors who served during the year were as follows:

A R Bloom Esq  
A Noorani Esq

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the surplus or deficit 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
- prepare the Financial Statements on the 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 fraud and other irregularities.

**DIRECTORS REPORT - continued**

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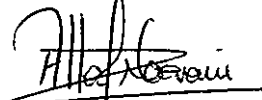
**AUDITORS**

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs. J. Daniels & Co., as Auditors to the Company will be put to the Annual General Meeting.

**REGISTERED OFFICE**

**Rectory Lane  
Ridge Hill  
Nr. Radlett  
Hertfordshire  
WD7 9BG**

**ON BEHALF OF THE BOARD**

  
**A Noorani Esq - Secretary**

**Date 2nd February 1996**

**TO THE MEMBERS OF FORESTPOST LIMITED**

We have Audited the Financial Statements on Pages 3 to 8.

**Respective Responsibilities of Directors and Auditors**

As described on page 1, the Company's Directors 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**

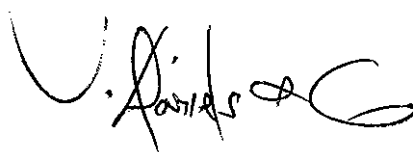
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors 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 state of the Company's affairs as at 31st July 1995 and of its Surplus for 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



Date 12 February 1996

***Registered Auditors***

INCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST JULY 1995

	<u>Notes</u>	<u>£</u>	<u>Year to 31/7/95 £</u>	<u>Period 19/11/93 to 31/7/94 £</u>
<b>TURNOVER</b>	2		918,971	520,027
Administrative Expenses		804,006		559,258
Interest Receivable		(16,208)		(6,633)
Interest Payable	5	96,084		60,820
			<u>883,882</u>	<u>613,445</u>
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES</b>	3		35,089	(93,418)
			<u>35,089</u>	<u>(93,418)</u>
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>			35,089	(93,418)
<b>TAXATION</b>	15		(3,677)	-
			<u>31,412</u>	<u>(93,418)</u>
<b>ACCUMULATED DEFICIENCY OF FUNDS BROUGHT FORWARD</b>			(93,418)	-
<b>ACCUMULATED DEFICIENCY OF FUNDS CARRIED FORWARD</b>			<u>(62,006)</u>	<u>(93,418)</u>

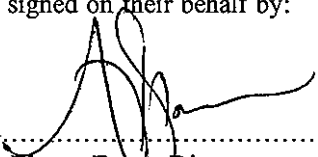
All of the Company's operations are classed as continuing. The Company had no recognised gains and losses, other than the Surplus for the year.

The attached Notes form an integral part of these Accounts and should be read in conjunction therewith.

BALANCE SHEETAS AT 31ST JULY 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u>	<u>£</u>	<u>1994</u>	<u>£</u>
<b>FIXED ASSETS</b>						
Tangible Assets	6		810,099		805,152	
<b>CURRENT ASSETS</b>						
Stocks	7	8,678		19,359		
Investments	8	373,011		227,066		
Debtors	9	39,391		45,192		
Cash at Bank and in Hand		11,958		1,923		
		433,038		293,540		
<b>CURRENT LIABILITIES</b>						
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>						
	10	55,631		43,378		
<b>NET CURRENT ASSETS</b>						
			377,407		250,162	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
			1,187,506		1,055,314	
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>						
	10		1,249,512		1,148,732	
<b>NET LIABILITIES</b>						
			(62,006)		(93,418)	
<b>CAPITAL AND RESERVES</b>						
Members Funds - Deficit			(62,006)		(93,418)	

The Financial Statements on Pages 1 to 9 were approved by the Board of Directors on 2nd February 1996 and were signed on their behalf by:

  
.....  
A.R. Bloom Esq. - Director

  
.....  
A. Noorani Esq. - Director

The attached Notes form an integral part of these Accounts and should be read in conjunction therewith.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST JULY 1995**

**1. ACCOUNTING POLICIES**

**a. Accounting Standards**

The Financial Statements have been prepared in accordance with applicable Accounting Standards.

**b. Accounting Convention**

The accounts are prepared under the Historical Cost Convention.

**c. Cash Flow Statement**

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small Company.

**d. Depreciation**

Depreciation is provided on all Tangible Fixed Assets at rates calculated to write off the cost or valuation over its expected useful life, as follows:

Equipment, Fixtures and Fittings	20% Straight Line
Freehold Property	2% Straight Line

**e. Turnover**

Turnover represents net invoiced Fees received.

**2. TURNOVER**

The Turnover and Deficit is attributable to the one principal activity of the Company. An analysis of Turnover is given below:

	<u>Year</u> <u>to</u> <u>31/7/95</u> £	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> £
United Kingdom	<u>918,971</u>	<u>520,027</u>

**3. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES**

is stated after the following amounts:

	<u>Year</u> <u>to</u> <u>31/7/95</u> £	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> £
Directors Remuneration	-	-
Staff Superannuation Scheme	25,088	7,547
Pension Contributions	2,013	1,007
Life Assurance	2,675	554
Staff Costs (Note 4)	624,207	452,468
Depreciation	28,968	15,886
Goodwill Written Off	-	2
Auditors Remuneration	<u>2,500</u>	<u>2,000</u>



## NOTES TO THE FINANCIAL STATEMENTS - Continued

## FOR THE YEAR ENDED 31ST JULY 1995

## 4. STAFF COSTS

	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
Social Security Costs	51,296	32,434
Wages	572,911	420,034
	<u>624,207</u>	<u>452,468</u>

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

	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>No.</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>No.</u>
Teaching and Administration	<u>41</u>	<u>34</u>

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
On Bank Overdraft and Loans wholly repayable within five years	<u>96,084</u>	<u>60,820</u>

## 6. TANGIBLE FIXED ASSETS

<u>Cost or Valuation</u>	<u>Equipment, Fixtures</u> <u>and Fittings</u> <u>£</u>	<u>Freehold</u> <u>Property</u> <u>£</u>	<u>Total</u> <u>£</u>
As at 1st August 1994	41,038	780,000	821,038
Additions	33,915	-	33,915
	<u>74,953</u>	<u>780,000</u>	<u>854,953</u>
<u>Depreciation</u>			
As at 1st August 1994	4,836	11,050	15,886
Charge for Year	13,368	15,600	28,968
	<u>18,204</u>	<u>26,650</u>	<u>44,854</u>
<u>Net Book Value</u>			
At 31st July 1995	<u>56,749</u>	<u>753,350</u>	<u>810,099</u>
At 31st July 1994	<u>36,202</u>	<u>768,950</u>	<u>805,152</u>

NOTES TO THE FINANCIAL STATEMENTS - ContinuedFOR THE YEAR ENDED 31ST JULY 1995

7. STOCKS	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
Stocks comprise of the following -		
Consumables	<u>8,678</u>	<u>19,359</u>
8. INVESTMENTS	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
£		
Bank - Deposit Account	73,250	35,321
Bank - Premium Account	26,239	58,374
Bank - High Interest Account	273,522	133,371
	-----	-----
	373,011	227,066
	=====	=====
9. DEBTORS	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
Amounts falling due within one year:		
Fees Receivable	7,452	3,294
Prepayments	5,655	13,702
Other Debtors	26,284	31,490
	-----	-----
	39,391	48,486
	=====	=====
10. CREDITORS	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
Amounts falling due within one year:		
Social Security payable and other Taxation	16,890	12,740
Other Creditors and Accruals	30,539	26,870
Hire Purchase - Current Instalment	1,555	1,122
Fees received in advance	2,970	5,940
Corporation Tax	3,677	-
	-----	-----
	55,631	46,672
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**FOR THE YEAR ENDED 31ST JULY 1995**

**10. CREDITORS - continued**

	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
Amounts falling due after one year:		
Deposits Held	71,750	35,100
Parents' Contributions	244,000	270,000
Hire Purchase - Repayable within five years	-	1,322
Bank Loan - Repayable 22.11.2008	933,762	842,310
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	1,249,512	1,148,732
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**11. GUARANTEE**

The Company is Limited by Guarantee and does not have a Share Capital.

**12. BANK BORROWING**

The Company's Bankers hold the following securities:-

- i) Undertaking from Linklaters & Paines, Solicitors, regarding land and buildings Manor Lodge School, Ridge Hill, Shenley, Barnet and land to West of Rectory Lane, Manor Lodge School, Ridge Hill, Barnet, to register a First Legal Charge dated 18.11.1993.
- ii) Life Assurance Policy dated 9.3.1994 on the life of B.D. Flashman Esq.

**13. CHARITABLE STATUS**

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

**14. CONTINGENT LIABILITIES**

- i) During the year the Company's PAYE records were inspected by the Department of Social Security and as a consequence a settlement was reached in relation to arrears of National Insurance Contributions. There is a possibility that tax arrears may also become payable although these are difficult to quantify. No provision for these arrears has been made in the Accounts.
- ii) There is a potential claim of approximately £4,000 against the Company in relation to fees collected. The Company intends to resist the claim.

**15. TAXATION**

	<u>Year</u> <u>to</u> <u>31/7/95</u> <u>£</u>	<u>Period</u> <u>19/11/93</u> <u>to 31/7/94</u> <u>£</u>
The Taxation charge is made up as follows:		
Corporaton Tax at 25%	<u>3,677</u>	=