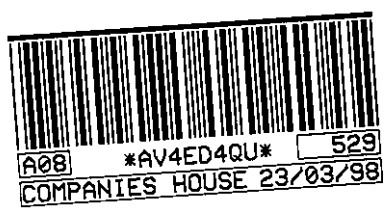


Registrar

2829156

MANOR LODGE SCHOOL
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 1997



J DANIELS

Chartered Accountants & Registered Auditors

& CO

1 Chase Side Crescent, Enfield, Middlesex, EN2 0JA
Telephone: 0181-364 5126
Facsimile: 0181-366 4109
J.A. Daniels F.C.A.

MANOR LODGE SCHOOL

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1997

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

Detailed Income and Expenditure Account 12 - 13

A Company Limited by Guarantee

DIRECTORS REPORT

FOR THE YEAR ENDED 31ST JULY 1997

STATUS AND ADMINISTRATION

Manor Lodge School was incorporated 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 30(5)(c) of the Companies Act 1985 to have the word "Limited" omitted from the Company name. The School registered as a Charity with the Charity Commissioners on 25 August 1995, number 1048874. Its registered company number is 2829156.

DIRECTORS

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

J Liddle (Chairman) # (appointed as Director 15.03.97 and Chairman 09.10.97)	
P Marcuse # (resigned as Chairman 22.09.97)	Prof. R Bennett (Vice Chairman) *
Dr B Cheng * (resigned 23.06.97)	J A Corbett #
G Davies #	A Grant *
Mrs J Jenkins #	Miss M de Villiers *

* *Members of the Education Subcommittee*

Members of the Finance and General Purposes Subcommittee

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

Appointed by the main Governing Body:

Dr B Cheng	G Davies
J A Corbett	Miss M de Villiers
A Grant	J Liddle

Appointed by parents:

P Marcuse	Prof. R Bennett
Mrs J Jenkins	

OFFICERS

The Head	Mrs J M Smart
Deputy Head	Miss A Goodson
The Bursar and Company Secretary and Clerk to the Governors	G P Simms
Address	Manor Lodge School Rectory Lane Ridge Hill Shenley Radlett Herts WD7 9BG

A Company Limited by Guarantee

DIRECTORS REPORT - continued

FOR THE YEAR ENDED 31ST JULY 1997

ADVISORS

Bankers	Barclays Bank Plc The Hampstead Group Business Centre PO Box 2764 London NW3 6JD
Solicitors	Turner & Debenhams 48 Watling Street Radlett Herts WD7 7NN
Auditors	J Daniels & Co. 1 Chase Side Crescent Enfield Middlesex EN2 0JA
Insurance Brokers	Heath Crawford & Foster Limited 23-27 Church Road Stanmore Middlesex HA7 4AR

OBJECTS

The objects are set out in the Memorandum and 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.

ORGANISATION

The Directors determine the general policy of the School. The day-to-day management of the School is delegated to the Head and the Bursar.

POLICY

The School is a day school and provides education to both sexes from the ages of 4 - 11 years.

A Company Limited by Guarantee

DIRECTORS REPORT - continued

FOR THE YEAR ENDED 31ST JULY 1997

REVIEW

In 1997, Manor Lodge had 330 pupils and registrations for entry to Reception continue to rise. The July 1997 results for Years 2 and 6 were, again, better than previous years. This is due to evaluation of the curriculum and our constant endeavours to improve the focus of the teaching which we offer. We are now recognised by senior schools, both state and independent, as a feed school which produces well-motivated, competent children.

Our sports programme has extended rapidly as we have become involved with many IAPS and County commitments. A great number of children have been successful, setting not only personal and school records but County records as well. The music department continues to thrive and a large number of children took part in a very successful concert at the Royal Albert Hall. The school is now in the process of writing a ten year development plan for the site. This involves a major building programme for a hall/gym/drama studio and many smaller improvements to the site such as a netball court.

There have been two major developments in the past year: the first being the complete refurbishment of the Oak Room, which is now fully restored to its Victorian Glory. Our second development has been of the grounds which has been supported by cash grants from the Watling Community Forest Group. They are enabling us to plant new hedges and have provided us, not only with the saplings, but also with the equipment for the children to use.

THE FINANCIAL RESULTS

The School's operating surplus of £164,051 for the year was higher than projected and is stated after charging interest of £111,722 on the long term bank loan. The increase in fee income reflects the increase in the number of pupils attending the School. The School funds now reflect a continuing improvement of retained income to date. The full results are shown in the accounts.

RESOURCES

Note 15 to the accounts sets out an analysis of the assets attributable to the various funds.

The School's tangible assets are all held for use by the School. In the present property market the Directors are unable to estimate whether their value is materially different from that shown in the accounts.

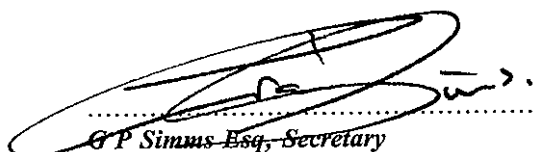
AUDITORS

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
Shenley
Radlett
Herts
WD7 9BG

Approved by the Board of Directors on 5 March 1998 and signed on its behalf by:


.....
G P Simms Esq., Secretary

TO THE MEMBERS OF MANOR LODGE SCHOOL

We have Audited the Financial Statements on Pages 5 to 11, which have been prepared under the historical cost convention and the accounting policies set out on Page 7.

Respective Responsibilities of Directors and Auditors

As described on page 1, the 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

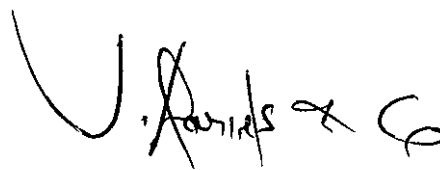
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the Accounting Policies are appropriate to the 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 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 charitable Company's affairs as at 31st July 1997 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



Date : 13 March 1998

Registered Auditors

*A Company Limited by Guarantee***STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST JULY 1997**

	<u>Notes</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>1996</u>
	<u>£</u>	<u>Funds</u>	<u>Funds</u>	<u>1997</u>	<u>£</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOMING RESOURCES					
Fees Receivable	1(c)	1,372,452	-	1,372,452	1,224,958
Other Income	2	4,375	-	4,375	3,625
Bank Interest		32,119	-	32,119	25,103
Donations	1(f),8	-	-	-	19,406
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		1,408,946	-	1,408,946	1,273,092
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Direct Charitable Expenditure					
Teaching Costs		696,549	-	696,549	668,461
Welfare		107,128	-	107,128	113,795
Premises		153,677	-	153,677	124,057
Administration of the School		119,470	-	119,470	111,734
Restricted Funds - Depreciation		-	2,009	2,009	680
- Educational Supplies		-	1,998	1,998	-
		<hr/>	<hr/>	<hr/>	<hr/>
		1,076,824	4,007	1,080,831	1,018,727
Other Expenditure					
Finance and Other Costs		143,863	-	143,863	127,767
Management and Administration of the Charity		20,201	-	20,201	15,088
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended	3,4	1,240,888	4,007	1,244,895	1,161,582
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING RESOURCES					
		168,058	(4,007)	164,051	111,510
Balances brought forward		30,778	18,726	49,504	(62,006)
		<hr/>	<hr/>	<hr/>	<hr/>
BALANCES CARRIED FORWARD					
		198,836	14,719	213,555	49,504
		<hr/>	<hr/>	<hr/>	<hr/>

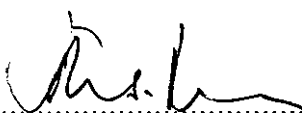
A Company Limited by Guarantee

BALANCE SHEET

AS AT 31ST JULY 1997

	<u>Notes</u>	<u>£</u>	<u>1997</u>	<u>£</u>	<u>1996</u>	<u>£</u>
TANGIBLE FIXED ASSETS	7		837,631		831,931	
CURRENT ASSETS						
Investments	10	738,829		598,837		
Stocks	9	4,832		5,880		
Debtors	11	55,765		17,441		
Cash at Bank and in hand		1,268		951		
		800,694		623,109		
CURRENT LIABILITIES						
Creditors : Amounts due within one year	12	200,904		59,561		
NET CURRENT ASSETS			599,790		563,548	
TOTAL ASSETS LESS CURRENT LIABILITIES			1,437,421		1,395,479	
CREDITORS : Amounts due after more than one year	12		1,223,866		1,345,975	
TOTAL NET ASSETS			213,555		49,504	
RESTRICTED FUNDS	8(a)		14,719		18,726	
UNRESTRICTED FUNDS						
Retained Income	8(b)		198,836		30,778	
TOTAL FUNDS	15		213,555		49,504	

Approved by the Board on 5 March 1998 and signed on its behalf by:



J Liddle, Chairman

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JULY 1997

1. ACCOUNTING POLICIES

a. Basis of Preparation

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

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

c. Fees

Fees receivable are stated after deducting contribution allowances.

d. 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.

e. 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.

f. 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	<u>1997</u>	<u>1996</u>
	£	£
Registration Fees	<u>4,375</u>	<u>3,625</u>
3. EXPENDITURE	<u>1997</u>	<u>1996</u>
Other expenditure includes:	£	£
Auditors Remuneration	3,100	3,000
Directors Insurance	1,435	1,432
Life Assurance	1,240	2,017
	<u> </u>	<u> </u>

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS - continued

FOR THE YEAR ENDED 31ST JULY 1997

4. ANALYSIS OF RESOURCES EXPENDED

	<u>Staff Costs</u> £	<u>Other</u> £	<u>Depreciation</u> £	<u>Total</u> £
Direct Charitable Expenditure:				
Teaching Costs	618,216	79,675	-	697,891
Housekeeping	12,655	94,473	-	107,128
Premises	32,246	105,438	15,993	153,677
Administration of the School	59,895	33,640	24,593	118,128
Restricted Funds	-	1,998	2,009	4,007
	<hr/>	<hr/>	<hr/>	<hr/>
	723,012	315,224	42,595	1,080,831
Other Expenditure:				
Finance and Other Costs	-	143,863	-	143,863
Management and Administration of the Charity	20,201	-	-	20,201
	<hr/>	<hr/>	<hr/>	<hr/>
	743,213	459,087	42,595	1,244,895
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. STAFF COSTS

	<u>1997</u> £	<u>1996</u> £
Social Security Costs	49,002	53,110
Wages and Salaries	658,344	646,987
Pension Costs	35,867	33,333
	<hr/>	<hr/>
	743,213	733,430
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>1997</u> No.	<u>1996</u> No.
Teaching and Administration	<u>34</u>	<u>34</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u> £	<u>1996</u> £
On Bank Overdraft and Loans	<u>111,897</u>	<u>104,297</u>

*A Company Limited by Guarantee*NOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST JULY 1997

7. TANGIBLE FIXED ASSETS

	<u>Equipment, Fixtures and Fittings</u> £	<u>Freehold Property</u> £	<u>Total</u> £
<u>Cost or Valuation</u>			
As at 1st August 1996	113,916	796,515	910,431
Additions	38,125	10,171	48,296
Disposals	-	-	-
	-----	-----	-----
At 31st July 1997	152,041	806,686	958,727
	-----	-----	-----
<u>Depreciation</u>			
As at 1st August 1996	36,071	42,429	78,500
Charge for Year	26,523	16,073	42,596
Disposals	-	-	-
	-----	-----	-----
At 31st July 1997	62,594	58,502	121,096
	-----	-----	-----
<u>Net Book Value</u>			
At 31st July 1997	<u>89,447</u>	<u>748,184</u>	<u>837,631</u>
At 31st July 1996	<u>77,845</u>	<u>754,086</u>	<u>831,931</u>

8. FUNDS

a) Restricted Funds

	<u>Balance at 1-8-96</u> £	<u>Incoming Resources</u> £	<u>Resources Expended</u> £	<u>Balance at 31-7-97</u> £
Friends of Manor Lodge School:				
Football Pitch	3,946	-	80	3,866
Staging	2,780	-	681	2,099
Library Equipment	5,956	-	894	5,062
Playground Equipment	3,546	-	354	3,192
Educational Supplies	2,498	-	1,998	500
	-----	-----	-----	-----
	18,726	-	4,007	14,719
	=====	=====	=====	=====

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

b) Unrestricted Funds

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

*A Company Limited by Guarantee*NOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST JULY 1997

9.	STOCKS	<u>1997</u> £	<u>1996</u> £
	Stocks comprise of the following -		
	Consumables	4,831	5,880
10.	INVESTMENTS	<u>1997</u> £	<u>1996</u> £
	Bank - Deposit Account	119,250	102,750
	Bank - Premium Account	298,849	84,745
	Bank - High Interest Account	320,730	411,342
		-----	-----
		738,829	598,837
		=====	=====
11.	DEBTORS	<u>1997</u> £	<u>1996</u> £
	Amounts falling due within one year:		
	Fees Receivable	-	7,929
	Prepayments	7,847	6,081
	Other Debtors	47,918	3,431
		-----	-----
		55,765	17,441
		=====	=====
12.	CREDITORS	<u>1997</u> £	<u>1996</u> £
	Amounts falling due within one year:		
	Social Security payable and other Taxation	17,233	169
	Other Creditors and Accruals	71,943	40,456
	Hire Purchase - Current Instalment	-	666
	Fees received in advance	-	414
	Bank Overdraft - Secured (Note 13)	4,106	17,856
	Bank Loan - Current Instalment (Note 13)	86,583	-
		-----	-----
		179,865	59,561
		=====	=====

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS - continued

FOR THE YEAR ENDED 31ST JULY 1997

12. CREDITORS - continued

	<u>1997</u>	<u>1996</u>
Amounts falling due after one year:	£	£
Deposits Held	119,750	102,750
Parents' Contributions	142,500	207,500
Bank Loan - Repayable 22.11.2008 (Note 13)	961,616	1,035,725
	<u>1,223,866</u>	<u>1,345,975</u>

13. BANK BORROWING

The company's bank borrowing facilities are secured by way of a first charge over the freehold deeds of Manor Lodge School on bank form 552, dated 19th November 1993.

14. CHARITABLE STATUS

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

15. ALLOCATION OF THE CHARITY NET ASSETS

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

	<u>Fixed</u> <u>Assets</u> £	<u>Net Current</u> <u>Assets</u> £	<u>Long Term</u> <u>Liabilities</u> £	<u>Total</u> £
Restricted Funds	5,965	8,754	-	14,719
General Funds:				
Retained Income	831,666	591,036	(1,223,866)	198,836
	<u>837,631</u>	<u>599,790</u>	<u>(1,223,866)</u>	<u>213,555</u>