

MANOR LODGE SCHOOL
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST JULY 1996



J DANIELS
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& CO

MANOR LODGE SCHOOL

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1996

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A Company Limited by Guarantee

DIRECTORS REPORT

FOR THE YEAR ENDED 31ST JULY 1996

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:

P Marcuse (Chairman) # (Appointed 14.10.95)	Prof. R Bennett (Vice Chairman) * (Appointed 14.10.95)
A R Bloom # (Resigned 15.5.96)	A Noorani # (Resigned 15.5.96)
Dr B Cheng * (Appointed 14.10.95)	J A Corbett # (Appointed 14.10.95)
G Davies # (Appointed 14.10.95)	A Grant * (Appointed 14.10.95)
Mrs J Jenkins # (Appointed 14.10.95)	Miss M de Villiers * (Appointed 14.10.95)

** 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	

Appointed by parents:

P Marcuse	Prof. R Bennett
A R Bloom	A Noorani
Mrs J Jenkins	

OFFICERS

The Head	B D Flashman
Deputy Head	Mrs J M Smart
The Bursar 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 1996

ADVISORS

Bankers	Barclays Bank Plc The Hampstead Group Business Centre PO Box 2764 London NW3 6JD
Solicitors	Copley Davies 36 Battlefield Road St Albans Herts AL1 4DD
Auditors	J Daniels & Co. 1 Chase Side Crescent Enfield Middlesex EN2 0JA
Architects	Huckle Tweddell Partnership Rayleigh House 2 Richmond Hill Richmond Surrey TW10 6QX
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 1996

REVIEW

In 1996, Manor Lodge had 325 pupils and registrations for entry to Reception in September 1997 are excellent - in fact higher than previous years. The July 1996 results for Years 2 to 6 were, again, better than previous years. Very few parents of children in Year 2 decided to take the opportunity of sitting external exams, being happy with the education available in our own Junior Department. Every child in Year 6 had a choice of senior schools to go on to, in both the state and independent sectors.

As our first five years had essentially involved the growth and development of the academic side of the School, in our sixth year we are much more outward looking. We now have our own sports pitch, a games field and astro-turf. This has meant more competition sport being played - both at home and away. Our embryonic netball, football and athletic teams are doing tolerably well in the local area.

We have also extended our computer facilities to two rooms and we have a science room and a new library. All of the above has meant new specialised teaching staff for PE and IT. The Music Department continues to thrive and there are now four peripatetic music staff teaching a variety of woodwind and strings.

DEVELOPMENTS

Our most recent discussions have been with architects who are now producing a feasibility study for the provision of new classrooms and a purpose built gym/hall/theatre.

THE FINANCIAL RESULTS

The School's operating surplus of £111,510 for the year was higher than projected and is stated after charging interest of £104,063 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 surplus of retained income to date. The full results are shown in the accounts.

RESOURCES

Note 17 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 29 April 1997 and signed on its behalf by:


.....
A Noorani Esq, Secretary

TO THE MEMBERS OF MANOR LODGE SCHOOL

We have Audited the Financial Statements on Pages 5 to 12, 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

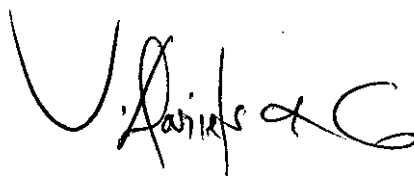
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements 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 1996 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 : 1 May 1997

Registered Auditors

*A Company Limited by Guarantee***STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST JULY 1996**

	<u>Notes</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>1995</u>
	<u>£</u>	<u>Funds</u>	<u>Funds</u>	<u>1996</u>	<u>£</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOMING RESOURCES					
Fees Receivable	1(c)	1,098,454	-	1,098,454	887,805
Other Income	2	28,408	-	28,408	31,166
Bank Interest		25,103	-	25,103	16,208
Donations	1(f),8	-	19,406	19,406	-
Total Incoming Resources		1,151,965	19,406	1,171,371	935,179
RESOURCES EXPENDED					
Direct Charitable Expenditure					
Teaching Costs		640,386	-	640,386	558,203
Welfare		48,249	-	48,249	34,145
Premises		124,057	-	124,057	92,978
Administration of the School		111,734	-	111,734	110,389
Restricted Funds - Depreciation		-	680	680	-
		924,426	680	925,106	795,715
Other Expenditure					
Finance and Other Costs		119,667	-	119,667	108,052
Management and Administration of the Charity		15,088	-	15,088	-
Total Resources Expended	3,4	1,059,181	680	1,059,861	903,767
NET INCOMING RESOURCES		92,784	18,726	111,510	31,412
Balances brought forward		(62,006)	-	(62,006)	(93,418)
BALANCES CARRIED FORWARD		30,778	18,726	49,504	(62,006)

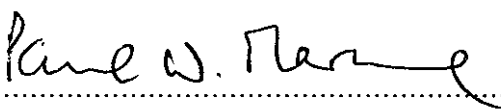
A Company Limited by Guarantee

BALANCE SHEET

AS AT 31ST JULY 1996

	<u>Notes</u>	<u>£</u>	<u>1996</u>	<u>£</u>	<u>1995</u>	<u>£</u>
TANGIBLE FIXED ASSETS	7		831,931		810,099	
CURRENT ASSETS						
Investments	10	598,837		373,011		
Stocks	9	5,880		8,678		
Debtors	11	17,441		39,391		
Cash at Bank and in hand		951		11,958		
		-----		-----		
		623,109		433,038		
CURRENT LIABILITIES						
Creditors : Amounts due within one year	12	59,561		55,631		
		-----		-----		
NET CURRENT ASSETS			563,548		377,407	
TOTAL ASSETS LESS CURRENT LIABILITIES			-----		-----	
			1,395,479		1,187,506	
CREDITORS : Amounts due after more than one year	12		1,345,975		1,249,512	
			-----		-----	
TOTAL NET ASSETS			49,504		(62,006)	
RESTRICTED FUNDS	8(a)		18,726		-	
UNRESTRICTED FUNDS						
Retained Income	8(b)		30,778		(62,006)	
			-----		-----	
TOTAL FUNDS	17		49,504		(62,006)	
			-----		-----	

Approved by the Board on 29 April 1997 and signed on its behalf by:



 P Marcuse, Chairman

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JULY 1996

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>1996</u>	<u>1995</u>
	£	£
Registration fees	3,625	4,200
Sundry income	24,783	26,966
	<hr/>	<hr/>
	28,408	31,166
	<hr/> <hr/>	<hr/> <hr/>

3. EXPENDITURE

	<u>1996</u>	<u>1995</u>
	£	£
Other expenditure includes:		
Redundancy Costs	-	750
Auditors Remuneration	3,000	2,500
Directors Insurance	1,432	-
Life Assurance	2,017	2,675
	<hr/> <hr/>	<hr/> <hr/>

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS - continued

FOR THE YEAR ENDED 31ST JULY 1996

4. ANALYSIS OF RESOURCES EXPENDED

	<u>Staff Costs</u> £	<u>Other</u> £	<u>Depreciation</u> £	<u>Total</u> £
Direct Charitable Expenditure:				
Teaching Costs	606,784	33,602	-	640,386
Housekeeping	32,663	15,586	-	48,249
Premises	24,227	84,105	15,725	124,057
Administration of the School	54,668	37,159	19,907	111,734
Restricted Funds	-	-	680	680
	<hr/>	<hr/>	<hr/>	<hr/>
	718,342	170,452	36,312	925,106
Other Expenditure:				
Finance and Other Costs	-	119,667	-	119,667
Management and Administration of the Charity	15,088	-	-	15,088
	<hr/>	<hr/>	<hr/>	<hr/>
	733,430	290,119	36,312	1,059,861
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. STAFF COSTS

	<u>1996</u> £	<u>1995</u> £
Social Security Costs	53,110	51,296
Wages and Salaries	646,987	572,911
Pension Costs	33,333	27,101
	<hr/>	<hr/>
	733,430	651,308
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>1996</u> <u>No.</u>	<u>1995</u> <u>No.</u>
Teaching and Administration	<u>34</u>	<u>32</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u> £	<u>1995</u> £
On Bank Overdraft and Loans	<u>104,297</u>	<u>94,834</u>

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS - continued

FOR THE YEAR ENDED 31ST JULY 1996

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 1995	74,953	780,000	854,953
Additions	41,628	16,515	58,143
Disposals	(2,665)	-	(2,665)
	-----	-----	-----
At 31st July 1996	113,916	796,515	910,431
	-----	-----	-----
<u>Depreciation</u>			
As at 1st August 1995	18,204	26,650	44,854
Charge for Year	20,532	15,779	36,311
Disposals	(2,665)	-	(2,665)
	-----	-----	-----
At 31st July 1996	36,071	42,429	78,500
	-----	-----	-----
<u>Net Book Value</u>			
At 31st July 1996	<u>77,845</u>	<u>754,086</u>	<u>831,931</u>
At 31st July 1995	<u>56,749</u>	<u>753,350</u>	<u>810,099</u>

8. FUNDS

a) Restricted Funds

	<u>Balance at 1-8-95</u> £	<u>Incoming Resources</u> £	<u>Resources Expended</u> £	<u>Balance at 31-7-96</u> £
Friends of Manor Lodge School:				
Football Pitch	-	4,000	54	3,946
Staging	-	3,406	626	2,780
Equipment and Supplies	-	12,000	-	12,000
	-----	-----	-----	-----
	-	19,406	680	18,726
	=====	=====	=====	=====

"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 - continued****FOR THE YEAR ENDED 31ST JULY 1996**

9. STOCKS	<u>1996</u>	<u>1995</u>
	£	£
Stocks comprise of the following -		
Consumables	<u>5,880</u>	<u>8,678</u>
10. INVESTMENTS	<u>1996</u>	<u>1995</u>
	£	£
Bank - Deposit Account	102,750	73,250
Bank - Premium Account	84,745	26,239
Bank - High Interest Account	411,342	273,522
	-----	-----
	598,837	373,011
	=====	=====
11. DEBTORS	<u>1996</u>	<u>1995</u>
	£	£
Amounts falling due within one year:		
Fees Receivable	7,929	7,452
Prepayments	6,081	5,655
Other Debtors	3,431	26,284
	-----	-----
	17,441	39,391
	=====	=====
12. CREDITORS	<u>1996</u>	<u>1995</u>
	£	£
Amounts falling due within one year:		
Social Security payable and other Taxation	169	16,890
Other Creditors and Accruals	40,456	30,539
Hire Purchase - Current Instalment	666	1,555
Fees received in advance	414	2,970
Corporation Tax	-	3,677
Bank Overdraft - Secured (Note 13)	17,856	-
	-----	-----
	59,561	55,631
	=====	=====

*A Company Limited by Guarantee***NOTES TO THE ACCOUNTS - continued****FOR THE YEAR ENDED 31ST JULY 1996****12. CREDITORS - continued**

	<u>1996</u>	<u>1995</u>
Amounts falling due after one year:	£	£
Deposits Held	102,750	71,750
Parents' Contributions	207,500	244,000
Bank Loan - Repayable 22.11.2008 (Note 13)	1,035,725	933,762
	<hr/>	<hr/>
	1,345,975	1,249,512
	<hr/> <hr/>	<hr/> <hr/>

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. CONTINGENT LIABILITIES

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 but would not be expected to exceed £10,000. No provision for these arrears has been made in the Accounts.

16. TAXATION

	<u>1996</u>	<u>1995</u>
The taxation charge is made up as follows:	£	£
Corporation Tax at 25%	-	<u>3,677</u>

A Company Limited by Guarantee

NOTES TO THE ACCOUNTS - continued

FOR THE YEAR ENDED 31ST JULY 1996

17. ALLOCATION OF THE CHARITY NET ASSETS

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

	<u>Fixed</u> <u>Assets</u> <u>£</u>	<u>Net Current</u> <u>Assets</u> <u>£</u>	<u>Long Term</u> <u>Liabilities</u> <u>£</u>	<u>Total</u> <u>£</u>
Restricted Funds	6,926	-	-	6,926
General Funds:				
Retained Income	825,005	563,548	(1,345,975)	42,578
	<u>831,931</u>	<u>563,548</u>	<u>(1,345,975)</u>	<u>49,504</u>

18. SUBSEQUENT EVENTS

- a) Subsequent to the Balance Sheet date, the company incurred building repair costs totalling £29,455.
- b) The company proposes to carry out further building repairs at a cost of £66,362. It is anticipated that these will be covered by the buildings insurance policy.