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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 2007



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

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JA Daniels FCA

**MANOR LODGE SCHOOL**

**A Company Limited by Guarantee**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST AUGUST 2007**

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**A Company Limited by Guarantee****DIRECTORS' REPORT****FOR THE YEAR ENDED 31ST AUGUST 2007**

The Board of Directors present their annual report for the year ended 31 August 2007 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 30(5) (c) 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 # @
J D Harris CBE # * (resigned 8 March 2007)	M J Higham *
D M Lavelle *	S Patel #
A Smith *	Mrs P Smith *
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,     Ian Smart Esq  
Company Secretary & Clerk to the Governors

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 2007****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 IAPS for the promotion and maintenance of preparatory school standards generally. 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 some £6,400 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 and the Fleetville Family Centre.

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

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 much 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.

**A Company Limited by Guarantee****DIRECTORS' REPORT - continued****FOR THE YEAR ENDED 31ST AUGUST 2007****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 to reach its annual objective is the attainment of the highest academic levels 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 as in previous years. 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 a 6 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 being awarded on a needs basis. The levels of the awards are determined by the Head. Such awards reduced annual fee income by a total of £36,258.

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR****Operational performance of the School**

Numbers continued to be healthy, with 382 pupils on roll at the academic year end, and a substantial waiting list. Academic results were again extremely good, with many 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. In addition, a small number of Year 1 and 2 children moved to other local independent schools with our good wishes.

**A Company Limited by Guarantee****DIRECTORS' REPORT - continued****FOR THE YEAR ENDED 31ST AUGUST 2007****FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Company's net incoming resources for the year of £112,160 (2006 £100,015) are disclosed on 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 £2,026,125 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 £350,000 has been created for future development costs. This was increased to £400,000 in the year under review, and an existing provision for major repairs amounting to £125,000 was increased to £250,000.

**Capital expenditure**

The School's capital expenditure of £315,001 is summarised in Note 6 to the accounts. This included £138,117 on the Nursery at Shenley Lodge, £29,201 on IT equipment, £29,869 on new toilet & shower installations, £15,075 on new windows, £14,423 on air conditioning units and £12,618 to refurbish the downstairs cloakrooms. In addition £14,192 was spent on the preliminary work for the construction of the new dining hall.

**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, and for rebuilding purposes is insured for £5,854,000.

**FUTURE PLANS**

The School has obtained planning permission from the local authority to provide a permanent dining hall with purpose built kitchen to replace the existing temporary structure, which has outlived its usefulness. Construction commenced in December 2007 and the dining hall will be operational in September 2008.

The Nursery School for 30 - 40 siblings of main school pupils commenced operation in January 2008.

The School is negotiating with a local landowner to lease some 2.5 acres of land at the rear of the School and plan to convert the area into additional football pitches with a cricket pitch and simple changing facilities, subject to planning consent. A further small parcel of land at the front of the School was leased from 1 February 2008, to provide additional play space.

A Company Limited by Guarantee

DIRECTORS' REPORT - continued

FOR THE YEAR ENDED 31ST AUGUST 2007

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**AUDITORS**

Messrs J Daniels & Co to continue as Auditors to the Company in accordance with Sections 485 and 487 of the Companies Act 2006

Approved by the Board of Governors on *6th March 2008* 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 2007**

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**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 2007****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 2007 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 2007 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 2007**

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2007</u> £	<u>2006</u> £
<b>INCOMING RESOURCES</b>					
Fees Receivable		2,802,067	-	2,802,067	2,618,523
Registrations	2	10,170	-	10,170	8,410
Miscellaneous Income		235,302	-	235,302	233,431
Bank Interest		30,447	-	30,447	19,252
Donations	1(g)	-	-	-	1,056
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Incoming Resources</b>		3,077,986	-	3,077,986	2,880,672
		<hr/>	<hr/>	<hr/>	<hr/>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Expenditure</b>					
Teaching Costs		1,635,579	-	1,635,579	1,586,832
Housekeeping		194,948	-	194,948	217,892
Premises		607,823	-	607,823	512,645
Administration of the School		396,847	-	396,847	341,189
Restricted Funds - Depreciation		-	83	83	83
Finance and Other Costs		70,395	-	70,395	61,525
Management and Administration of the Charity		60,151	-	60,151	60,491
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Resources Expended</b>		2,965,743	83	2,965,826	2,780,657
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOMING RESOURCES</b>					
		112,243	(83)	112,160	100,015
Balances brought forward		1,913,882	3,131	1,917,013	1,816,998
		<hr/>	<hr/>	<hr/>	<hr/>
<b>BALANCES CARRIED FORWARD</b>		<u>2,026,125</u>	<u>3,048</u>	<u>2,029,173</u>	<u>1,917,013</u>

The attached notes form part of these Accounts

A Company Limited by GuaranteeBALANCE SHEETAS AT 31ST AUGUST 2007

	<u>Notes</u>	<u>£</u>	<u>2007</u> <u>£</u>	<u>£</u>	<u>2006</u> <u>£</u>
<b>TANGIBLE FIXED ASSETS</b>	6		3,656,768		3,537,694
<b>CURRENT ASSETS</b>					
Debtors	9	56,607		48,444	
Investments	8	538,558		458,558	
Cash at Bank and in hand		236,933		80,595	
			<u>832,098</u>	<u>587,597</u>	
<b>CURRENT LIABILITIES</b>					
Creditors Amounts due within one year	10	820,418		722,245	
				<u>722,245</u>	
<b>NET CURRENT ASSETS/LIABILITIES</b>			11,680		(134,648)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,668,448</u>		<u>3,403,046</u>
<b>CREDITORS</b> . Amounts due after more than one year	10		989,275		1,011,033
			<u>989,275</u>		<u>1,011,033</u>
<b>TOTAL NET ASSETS</b>			<u>2,679,173</u>		<u>2,392,013</u>
<b>RESTRICTED FUNDS</b>					
Friends of Manor Lodge	7(a)		3,048		3,131
Provision for Major Repairs	7(b)		250,000		125,000
Provision for Development Costs	7(b)		400,000		350,000
<b>UNRESTRICTED FUNDS</b>					
Retained Income	7(c)		2,026,125		1,913,882
			<u>2,026,125</u>		<u>1,913,882</u>
<b>TOTAL FUNDS</b>	12		<u>2,679,173</u>		<u>2,392,013</u>

Approved by the Board on 6<sup>th</sup> Nov 2008 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 2007**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****2007****£**

Registration Fees	<u>10,170</u>
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**3. EXPENDITURE****2007****£**

Other expenditure includes

Auditor's Remuneration	14,316
Life Assurance	<u>15,086</u>

A Company Limited by GuaranteeNOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST AUGUST 2007

## 4. ANALYSIS OF RESOURCES EXPENDED

	<u>Staff Costs</u> £	<u>Other</u> £	<u>Depreciation</u> £	<u>Total</u> £
Direct Charitable Expenditure				
Teaching Costs	1,516,658	118,921	-	1,635,579
Housekeeping	50,585	144,363	-	194,948
Premises	64,881	469,953	72,989	607,823
Administration of the School	141,139	132,853	122,855	396,847
Restricted Funds	-	-	83	83
Finance and Other Costs	-	70,395	-	70,395
Management and Administration of the Charity	60,151	-	-	60,151
	<u>1,833,414</u>	<u>936,485</u>	<u>195,927</u>	<u>2,965,826</u>

## 5 STAFF COSTS

	<u>2007</u> £	<u>2006</u> £
Social Security Costs	124,050	111,812
Wages and Salaries	1,526,193	1,413,732
Pension Costs	158,897	219,308
Other Staff Costs	24,274	10,790
	<u>1,833,414</u>	<u>1,755,642</u>

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

	<u>2007</u> <u>No</u>	<u>2006</u> <u>No</u>
Teaching and Administration	<u>67</u>	<u>58</u>

**A Company Limited by Guarantee**

**NOTES TO THE ACCOUNTS - continued**

**FOR THE YEAR ENDED 31ST AUGUST 2007**

**6. TANGIBLE FIXED ASSETS**

	<u>Computer Equipment</u>	<u>Equipment, Fixtures and Fittings</u>	<u>Freehold Property</u>	<u>Total</u>
	£	£	£	£
<b><u>Cost or Valuation</u></b>				
As at 1st September 2006	238,820	548,003	3,621,749	4,408,572
Additions	29,201	122,741	163,059	315,001
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st August 2007	268,021	670,744	3,784,808	4,723,573
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Depreciation</u></b>				
As at 1st September 2006	141,315	318,571	410,992	870,878
Charge for Year	40,013	82,842	73,072	195,927
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st August 2007	181,328	401,413	484,064	1,066,805
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Net Book Value</u></b>				
At 31st August 2007	<u>86,693</u>	<u>269,331</u>	<u>3,300,744</u>	<u>3,656,768</u>
At 31st August 2006	<u>97,505</u>	<u>229,432</u>	<u>3,210,757</u>	<u>3,537,694</u>

**7 FUNDS**

a) Restricted Funds	<u>Balance at 1-09-06</u>	<u>Incoming Resources</u>	<u>Depreciation/ Expenses</u>	<u>Balance at 31-8-07</u>
	£	£	£	£
<b>Friends of Manor Lodge School:</b>				
Football Pitch	<u>3,131</u>	-	<u>83</u>	<u>3,048</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 £125,000 has been made for future Major Repairs and a further provision of £50,000 for future Building Development Costs

	<u>2007</u>	<u>2006</u>
	£	£
c) Unrestricted Funds	<u>2,026,125</u>	<u>1,913,882</u>

The unrestricted funds are retained as necessary to cover working capital

A Company Limited by GuaranteeNOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST AUGUST 2007

<b>8</b>	<b>INVESTMENTS</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
		<b>£</b>	<b>£</b>
	Bank - Deposit Account	341,000	261,000
	Bank - Parents Deposit	197,558	197,558
		<u>538,558</u>	<u>458,558</u>
<b>9</b>	<b>DEBTORS</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
		<b>£</b>	<b>£</b>
	Amounts falling due within one year		
	Fees Receivable	6,293	1,703
	Prepayments	37,376	39,330
	Other Debtors	12,938	7,411
		<u>56,607</u>	<u>48,444</u>
<b>10.</b>	<b>CREDITORS</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
		<b>£</b>	<b>£</b>
	Amounts falling due within one year		
	Social Security payable and other Taxation	38,619	35,296
	Other Creditors and Accruals	509,027	460,696
	Fees Paid in Advance	272,772	226,253
		<u>820,418</u>	<u>722,245</u>
		<b><u>2007</u></b>	<b><u>2006</u></b>
	Amounts falling due after one year	<b>£</b>	<b>£</b>
	Long Term Mortgage	791,775	813,533
	Deposits Held	197,500	197,500
		<u>989,275</u>	<u>1,011,033</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.

A Company Limited by GuaranteeNOTES TO THE ACCOUNTS - continuedFOR THE YEAR ENDED 31ST AUGUST 2007**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	3,048	-	-	-	3,048
Provision for Major Repairs	-	-	-	250,000	250,000
Provision for Development costs	-	-	-	400,000	400,000
Unrestricted Funds					
Retained Income	<u>3,653,720</u>	<u>11,680</u>	<u>(989,275)</u>	<u>(650,000)</u>	<u>2,026,125</u>
	<u>3,656,768</u>	<u>11,680</u>	<u>(989,275)</u>	<u>-</u>	<u>2,679,173</u>

**13 Related Party Disclosures**

There are no related party transactions to disclose