

THE MULBERRY BUSH SCHOOL LIMITED
ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2003

REGISTERED COMPANY NO: 538828

REGISTERED CHARITY NO: 309565



THE MULBERRY BUSH SCHOOL LIMITED

Registered Office:

The Mulberry Bush School Limited
Standlake
Witney
Oxon
OX8 7RW

Bankers:

National Westminster Bank plc
21 High Street
Witney
Oxon

Solicitors:

Herbert Mallam Gowers
126 High Street
Oxford

Auditors:

Critchleys
Chartered Accountants
Avalon House
Marcham Road
Abingdon
Oxon
OX14 1UD

THE MULBERRY BUSH SCHOOL LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2003

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THE MULBERRY BUSH SCHOOL LIMITED

REPORT OF THE TRUSTEES

The trustees present their report and audited accounts for the year ended 31 August 2003.

The trustees during the year ended 31 August 2003 were:

ALEXANDER, Dr Gina	Jungian Analyst. Member of the British Association of Psychotherapists	
ATKINSON, Lady (Judith)	Social Work Unit Manager	
BLAIR, Dr Ian	Physicist. Former County Councillor	LEA Representative
BRITTAİN, Mrs Deborah	Musician/Teacher of Music	
CRAGGS, Dennis	Chartered Accountant.	Hon Treasurer Chair, Finance Committee
DOUGLAS, James	Lecturer in Social Work	
HARVEY, Alan	Retired Lecturer in Social Work and Inspector for Schools/Further Education	
HOLDITCH, Mrs Lesley	Educational Psychologist	Chair, Education and Treatment Committee
IRVINE, Bruce	Clinical Psychologist	Chair, Tavistock Mulberry Bush Day Unit Management Committee
JAMES, Dr Elisabeth	Consultant Child Psychiatrist	Deceased September 2003
LUTMAN, Colin	Therapeutic Care Worker Trustee	
O'MAHONEY, Mrs Ann	Ancillary Staff Trustee	
ROGERS, Mrs Eva	Horticulturist	
SMITH, Ms Elaine	Lawyer, Lecturer in Management Professional Studies	Vice-Chair
WILSON, Guy	Solicitor	Chair
WILSON, Lady	Psychotherapist	
WOODWARD, Mrs Camilla		

No other person has been a trustee during this period.

The company has no share capital and consequently none of the trustees or members have any interest in any shares of the company.

The liability of the trustees and members is limited to the extent of £1 each in the event of the company being wound up.

Activity

The principal activity of the company is the operating of a residential school at Standlake, Oxfordshire for children of primary school age with severe emotional and behavioural problems.

In the year to 31 August 1998 the members of the school entered into an agreement with the Tavistock Mulberry Bush Day Unit. Under the terms of this agreement the Mulberry Bush School employs teaching staff at the Tavistock Mulberry Bush Day Unit and is reimbursed for their services. The Tavistock Mulberry Bush Day Unit educates and treats children with behavioural problems who attend the Unit on a daily basis.

THE MULBERRY BUSH SCHOOL LIMITED
REPORT OF THE TRUSTEES (CONTINUED)

Annual Income and Expenditure Review

During 2003, through continued referrals, the school maintained its occupancy close to its maximum level of 36 children. Consequently, fee income in respect of education and child care increased by 14.2% to £2,585,139, primarily as a result of increases in fee levels for new referrals implemented in earlier years. In accordance with the school policy of fully investing increased revenue on improving resources, General Fund expenditure on the provision of services increased by 11.8% to £2,535,995 (including £46,483 in respect of a depreciation charge on the school buildings as a result of a policy change described in Note 2c). The surplus in the General Fund was £51,695. The activities of the school are also supported by grants from the DFEE Standards Fund, which totalled £62,670 in the year. These grants are accounted for through a separate fund.

Income to the Building Fund from Development grants, donations and other fund raising events was £152,632 from which £95,151 was expended in the period, primarily on completing the interior courtyard and dining area. This brings the total development expenditure on the school redevelopment to £2,973,862.

State of Affairs and Future Developments

The Mulberry Bush School is well positioned to meet the needs of severely emotionally troubled children into the new millennium. This is in part due to the quality of the environment and the on-site resources available to support this demanding work. The school completed an ambitious re-development project in 2001. In Jan 2004 the completion of an all weather pitch was made possible by further fundraised money. Currently, a generous donation from the DfES has allowed the school to apply for planning permission for a new purpose-built Sports Hall. These new developments will ensure that the school is very well resourced to meet the needs of children through the sport and PE curriculum, as well as providing much needed space for play and recreation. This donation also suggests that investment and support for our work is recognised at the highest levels.

As of January 2004, the school is fully staffed. Referrals of children from local authorities were fewer in 2003, largely due to the drive for inclusion within mainstream schools. However, as of January 2004 we have 31 children, and are currently fielding up to five new referrals.

The events of the last year created an opportunity for the current management and Board of Trustees to re-evaluate many aspects of the advertising and marketing of our primary task. The skills of our staff, and the reputation of the school are also being increasingly sought by external professional bodies, allowing us to consider broadening our business base into packages of training, consultancy and other potentially profitable business initiatives.

THE MULBERRY BUSH SCHOOL LIMITED
REPORT OF THE TRUSTEES (CONTINUED)

Reserves Policy

The Trustees have identified as an aim the maintenance of unrestricted reserves sufficient to manage the financial impact of potential fluctuations in occupancy levels having regard to the fact that the school has substantial capital assets.

Risk Management

The Trustees hold regular trustee meetings during which they regularly review the major risks which the charity faces and take steps where necessary to manage these risks.

Auditors

Critchleys, Chartered Accountants, have indicated their willingness to remain as auditors to the company and offer themselves for re-appointment at the Annual General Meeting at a fee to be agreed with the trustees.

BY ORDER OF THE BOARD



A Shaw
Secretary

31 January 2004

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE MULBERRY BUSH SCHOOL LIMITED

We have audited the accounts of The Mulberry Bush School Limited for the year ended 31 August 2003 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As described in the Statement of Trustees' Responsibilities the trustees, who are also the Trustees of The Mulberry Bush School Limited for the purposes of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Trustees' Report is not consistent with the accounts, if the 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 Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit 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 accounts. It also includes an assessment of the judgements made by the Trustees in the preparation of the accounts, 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 as to whether the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 August 2003 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.

ABINGDON
4 February 2004


Critchleys
Chartered Accountants
Registered Auditors

THE MULBERRY BUSH SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2003

INCOME AND EXPENDITURE

	2003 Total £	Unrestricted Funds General Fund £	Restricted/Designated Funds Note 9 Building Fund £	Other Funds £	2002 Total £
Incoming Resources					
Income in respect of education and child care	2585139	2585139	-	-	2264087
Development grants, donations and fund raising events	247114	-	152632	94482	313918
Investment income	3480	2551	-	929	2096
Total Incoming Resources	2835733	2587690	152632	95411	2580101
Cost of generating funds	25048	-	25048	-	14688
Net Incoming Resources available for Charitable Application	2810685	2587690	127584	95411	2565413
Charitable Expenditure					
Education and Child Care					
Teaching and boarding expenses	1935008	1904434	-	30574	1757289
Property and administration expenses	539858	539858	-	-	461230
Management and administration	39960	39960	-	-	53233
Depreciation	51743	51743	-	-	729
Total Charitable Expenditure	2566569	2535995	-	30574	2272481
Net Incoming Resources (Note 3)	244116	51695	127584	64837	292932
Transfers	-	(3517)	(46483)	50000	-
Net Movement in Funds for the Year	244116	48178	81101	114837	292932
Accumulated Funds brought forward	3237760	254684	2906624	76452	2944828
Accumulated Funds carried forward	3481876	302862	2987725	191289	3237760
Analysis of Net Assets Between Funds					
Cumulative expenditure on tangible fixed assets	3213008	270629	2927379	15000	3131350
Cash at bank and in hand	715533	478898	60346	176289	508071
Other net current assets/(liabilities)	(446665)	(446665)	-	-	(401661)
	3481876	302862	2987725	191289	3237760

There are no gains or losses other than the reported surplus for the year.

All activities are of a continuing nature.

THE MULBERRY BUSH SCHOOL LIMITED

BALANCE SHEET

AT 31 AUGUST 2003

	Note	2003		2002	
		£	£	£	£
Fixed Assets					
Tangible assets	2(c) & 5.		3213008		3131350
Current Assets					
Stock	6.		2250		2250
Debtors and prepayments	7.		67234		29574
Cash at bank and in hand			715533		508071
			<u>785017</u>		<u>539895</u>
Current Liabilities					
Amounts falling due within one year:					
Creditors	8.		130501		132398
Income in advance			385648		301087
			<u>516149</u>		<u>433485</u>
Net Current Assets/(Liabilities)			<u>268868</u>		<u>106410</u>
Total Assets less Current Liabilities			<u>3481876</u>		<u>3237760</u>
Financed by:					
Accumulated funds (page 5)			<u>3481876</u>		<u>3237760</u>

The accounts were approved by the Trustees on 31 January 2004.

G Alexander Gina Alexander ChairD Craggs D Craggs Hon Treasurer

THE MULBERRY BUSH SCHOOL LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2003

	2003 £	2002 £
Net Cash Inflow from Operating Activities	341128	448846
Investing Activities		
Purchase of tangible fixed Assets	(133666)	(165591)
Increase/(Decrease) in Cash and Cash Equivalents	207462	283255
Cash and Cash Equivalents at 1 September 2002	508071	224816
Cash and Cash Equivalents at 31 August 2003	715533	508071

NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of Net Incoming Resources to Net Cash Inflow from Operating Activities	2003 £	2002 £	
Net incoming resources	244116	292932	
Depreciation and disposal of assets	52008	926	
Increase/(decrease) in creditors	82664	100969	
Decrease/(increase) in debtors	(37660)	54019	
	341128	448846	
2. Analysis of Changes in Cash and Cash Equivalents during the Year			Change in Year £
	2003 £	2002 £	
Cash at bank and in hand	715533	508071	207462

THE MULBERRY BUSH SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2003

1. Trustees' Responsibilities

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the results of the company for that period. In preparing those accounts the trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees 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 accounts 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.

2. Accounting Policies

(a) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with the Charities Statement of Recommended Practice, the Companies Act 1985 and other applicable accounting standards.

There were no acquisitions or discontinued activities during the year.

(b) Incoming Resources

Income for education and child care is accounted for on an accruals basis, according to the term to which it relates. Development grants and donations are accounted for when received. Income either restricted or designated for use for special purposes, such as the school development programme, is accounted for through separate funds.

(c) Tangible Fixed Assets

All expenditure on the new development is being written off over a period of sixty years, from 1 September 2002. It is considered that the cost of the original freehold land and buildings remaining may be deemed to be the land element. The trustees have decided not to depreciate furniture and equipment. These items are constantly replaced and maintained as required for the conduct of the school's activities and any further replacements, refurbishments and routine additions are charged to revenue. Consequently an additional depreciation charge is considered unnecessary. Therefore, although the Companies Act requires a charge for depreciation to be made on all fixed assets having a finite life, the trustees consider that this policy shows a true and fair view.

(d) Stock

Stock is stated at the cost of the estimated amounts held at the balance sheet date.

(e) Pension Costs

Non-teaching staff contribute to independently administered personal pension schemes. The pension cost charge represents contributions by the company to these schemes, which are recognised when they become payable.

Teaching staff contribute to the Department of Education pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

(f) Resources Expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the categories of resources expended in the SOFA, except that management and administration expenditure comprises legal and audit costs together with 50% of office costs and a proportion of an administration salary.

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2003

2. Accounting Policies (Continued)

(g) Leased Assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities as incurred.

3. Net Incoming Resources	2003	2002
	£	£
This is stated after charging:		
Depreciation	51743	729
Auditors' remuneration	2900	2750
	<hr/>	<hr/>
 4. Employees	 2003	 2002
	£	£
Costs:		
Salaries and wages	1850039	1680534
National Insurance	169050	138327
Pension costs - non-teaching staff	55061	51333
teaching staff	29343	19545
	<hr/>	<hr/>
	2103493	1889739
	<hr/>	<hr/>

These amounts include salaries of £177316 (2002 : £174,444) for staff at the Tavistock Clinic which are recharged to the Clinic at cost.

During the year, £557 (2002 : £235) was reimbursed to two trustees in respect of travel and other incidental expenses. No trustee received any remuneration.

One employee's emoluments was in excess of £50,000 for the year. The pension costs were £4958.

Average Number of Persons Employed	2003	2002
Teaching and residential care	67	60
Domestic	21	20
Administration	3	3
	<hr/>	<hr/>
	91	83
	<hr/>	<hr/>

Pension costs outstanding at the balance sheet date were £8896 (2002 : £4518).

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2003

5. Tangible Fixed Assets

	Freehold Land and Buildings		Furniture and Equipment		Motor Vehicles	Total
	New Development £	Original £	New Development £	Original £		
Cost:						
At 1 September 2002	2693833	231273	184878	19179	52518	3181681
Additions in year	95151	-	-	-	48135	143286
Disposals	-	-	-	-	(30788)	(30788)
Amounts written off	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	2788984	231273	184878	19179	69865	3294179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
At 1 September 2002	-	-	-	-	50331	50331
Charge for the year	46483	-	-	-	5260	51743
Eliminated on disposal	-	-	-	-	(20903)	(20903)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	46483	-	-	-	34688	81171
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value:						
At 31 August 2003	2742501	231273	184878	19179	35177	3213008
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2002	2693833	231273	184878	19179	2187	3131350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Depreciation on fixed assets is provided as follows:

Land and Buildings
 Furniture and Equipment
 Motor Vehicles

New development depreciated over 60 years (note 2c)
 No depreciation is provided (note 2c)
 25% on reducing balance

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2003

6. Stock	2003 £	2002 £
Food	1500	1500
Oil	750	750
	<hr/> 2250	<hr/> 2250
	<hr/> <hr/>	<hr/> <hr/>
7. Debtors	2003 £	2002 £
Amounts due in respect of fees outstanding	44612	13452
Prepayments	5567	3178
Other debtors	17055	12944
	<hr/> 67234	<hr/> 29574
	<hr/> <hr/>	<hr/> <hr/>
8. Creditors	2003 £	2002 £
Operating creditors	51066	23446
Other taxation and social security	55903	47877
Other creditors	16407	18960
Accruals and deferred income	7125	42115
	<hr/> 130501	<hr/> 132398
	<hr/> <hr/>	<hr/> <hr/>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2003

9. Restricted/Designated Funds

The Building Fund is credited with grants and donations received towards a major redevelopment of the School's accommodation. Costs of fund raising and certain revenue expenditure have been charged to the fund. Development costs are capitalised.

An analysis of the other restricted/designated funds is:

	2003 Total £	Reserve Fund £	Diaspora Fund £	Standards Fund £	Project Fund £
Income					
Investment Income	929	929	-	-	-
Grants, donations and fund raising	94482	12866		62670	18946
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	95411	13795	-	62670	18946
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure					
Teaching and other costs	30574	-	429	30145	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue Expenditure	30574	-	429	30145	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Surplus of income over expenditure	64837	13795	(429)	32525	18946
Transfer	50000	50000	(1352)	-	1352
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Retained in the year for future use	114837	63795	(1781)	32525	20298
Fund brought forward	76452	30980	1781	43691	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund carried forward	191289	94775	-	76216	20298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Diaspora Fund was set up to provide support to former pupils. The fund was transferred to the Projects Fund.

The Projects Fund comprises either restricted or designated donations and other income received to be applied to special projects or other exceptional expenditures for the general benefit of the school

The purpose of The Standards Fund is to develop the School's curriculum and for the general benefit of the School.

The Reserve Fund (which now includes the previously designated Repair Fund) is credited with donations and transfers from General Fund in accordance with the school's reserving policy, in order to assist in managing the financial impact of potential fluctuations in occupancy and other exceptional expenditures such as major repairs.

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2003

10. Post Balance Sheet Events and Capital Commitments

During the year, the school made further progress with its development plan for modernisation of the school buildings. However, before any development occurs the trustees ensure that there are sufficient funds or other finance facilities available to complete each phase of the development programme. At 31 August 2003, there were no committed costs not yet incurred.