

**THE MULBERRY BUSH SCHOOL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**REGISTERED COMPANY NO. 538828**

**REGISTERED CHARITY NO 309565**

**TUESDAY**



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**THE MULBERRY BUSH SCHOOL LIMITED**

**CONTENTS**

**FOR THE YEAR ENDED 31 AUGUST 2006**

	<b>Page</b>
<b>Report of the Trustees</b>	<b>1 to 5</b>
<b>Auditors' Report</b>	<b>6</b>
<b>Statement of Financial Activities</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Accounts</b>	<b>10 to 17</b>

**THE MULBERRY BUSH SCHOOL LIMITED**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

The trustees present their report and audited financial statements for the year ended 31 August 2006

**Administrative Information:**

Charity Name	The Mulberry Bush School Limited
Charity Registration Number	309565
Company Registration Number	538828
Registered Office	The Mulberry Bush School Limited Standlake Witney Oxon OX8 7RW

The trustees during the year ended 31 August 2006 were

ALEXANDER, Dr Gina	Jungian Analyst (retired)	Chair
ATKINSON, Lady (Judith)	Social Work Unit Manager (retired)	Chair, Education & Treatment Committee
BLAIR, Dr Ian	Physicist Former County Councillor	
BRITTAIN, Mrs Deborah	Musician/Teacher of Music	
CRAGGS, Dennis	Chartered Accountant	Hon Treasurer Chair, Finance Committee
EDWARDS, Tim	Company Director	
FORREST, Dr Gillian	Child Psychiatrist (retired)	
IRVINE, Bruce	Clinical Psychologist	Chair, Tavistock Mulberry Bush Day Unit Management Committee
RENDALL, Dr Sue	Consultant Child & Educational Psychologist	
ROGERS, Mrs Eva	Horticultunist	
SMITH, Ms Elaine	Lawyer, Lecturer Management Professional Studies	Vice Chair
TAYLOR, Dr Georgina	Teacher	
WILSON, Lady	Mulberry Bush School	Staff Trustee
WOODWARD, Mrs Camilla	Psychotherapist	

No other person acted as a trustee during the period

Auditors	Critchleys Chartered Accountants Avalon House Marcham Road Abingdon Oxon OX14 1UD
Bankers	National Westminster Bank Plc 21 High Street Witney Oxon
Solicitors	Herbert Mallam Gowers 126 High Street Oxford

**THE MULBERRY BUSH SCHOOL LIMITED**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The school is a charitable company limited by guarantee, incorporated in October 1954 and registered as a charity on 5 January 1966. The members of the company comprise the Board of Trustees (other than those nominated by the staff) together with any other persons invited by the Trustees as likely to assist in the furtherance of the objects of the company. The company has no share capital and the liability of the members is limited to £1 each in the event of the company being wound up.

The Society is governed by its Memorandum and Articles of Association dated 2 October 1954 and as amended on 4 October 1994.

### **Organisational Structure**

The management of the school is supervised by a Board of Trustees that meets regularly and is responsible for its strategic direction and policy, including the appointment of senior personnel, the review and approval of key operational and financial policies and procedures, the overall management of fund raising and publicity and the setting of annual fees and budget. The Board also operates Education and Treatment, Finance and General Purposes and such other sub-committees as may be decided from time to time.

The Board of Trustees comprises elected members of the company or the staff of the school.

The Trustees are also the directors of the company for the purpose of company law.

In determining the appointment of Trustees, the Board of Trustees identifies such skills as may assist in the furtherance of the objects and future development of the school and invites new Trustees with due regard to their experience and qualifications for office.

New Trustees are supported in their appointment through the provision of a range of information on the activities of the school and publications by the Charity Commission on the formal responsibilities of Trustees, together with the opportunity, before their appointment, to attend Trustee and other meetings and observe the day to day activity of the school.

The Board has appointed a Chief Executive Officer responsible for the planning of new services and the development of relationships with local authorities and other bodies.

The day to day management of the school is delegated to the school's Director and a Conducting Management Group ("CMG") comprising the senior managers of the various functions.

### **Risk Management**

The Trustees have conducted a review of the major risks to which the school is exposed and maintains up to date a register of such risks and how they are managed.

The Trustees have identified the principal risks as the financial dependence of the school on intermittent referrals of children by a small number of Local Authorities, the operational safety and welfare of children at the school and the recruitment of staff appropriate to the care of such vulnerable children.

In managing these risks, the school has developed a rigorous and well documented standard of operational procedures and is assisted by the conduct of periodic visits by the Commission for Social Care Inspection (CSCI) and Office for Standards in Education. Recruitment is in accordance with the requirements of National Minimum Standards under the Care Standards Act 2000 and protocols are also reviewed by CSCI.

**THE MULBERRY BUSH SCHOOL LIMITED**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**Related Parties**

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. This relationship is currently under review. The Tavistock Mulberry Bush Day Unit educates and treats children with behavioural problems who attend the Unit on a daily basis.

**OBJECTIVES AND ACTIVITIES**

The primary task of the school is to provide the care, treatment and education of severely emotionally troubled children, underpinned by reflective psychodynamic theory. It aims to maintain its reputation as one of the leading providers of integrated and multi-disciplinary therapeutic services.

In April 2006, the Board of Trustees agreed with the CMG a new strategic business plan to further the development of the task of the school. This plan seeks to export the best qualities of the school's practice through promotion of a range of outreach work, including training and consultation. The aim of the plan is also to develop new income streams in order to secure the future financial position of the school.

In accordance with this objective, the following steps have been taken:

- The modification of the management structure to allow for the development of new services and to create relationships with local authorities,
- The appointment of a new training officer, who is working with Oxford Brookes University to develop an accredited training portfolio for the school,
- The development of a proposal by the CMG to develop support and reflective space for teachers working in three primary schools in the Oxfordshire area,
- The development of contacts with other charities involved in working with disaffected young people in the area,
- The development of discussions with a range of authorities in order to develop a better understanding of their needs, including the wider marketing and promotion of the school, and
- The design of the scope of a long term research project to understand outcomes for children placed at the school.

**THE MULBERRY BUSH SCHOOL LIMITED**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**ACHIEVEMENTS AND PERFORMANCE**

The sole area of charitable activity is the provision of education and childcare for children of primary school age with severe emotional and behavioural problems

**Financial Review**

In the year to 31 August 2006, despite a reduction in average occupancy from an all time high of 36 children to an average of 32, income in respect of education and child care services of £3,537,761 increased slightly through fee increases. However, expenditure on the provision of the school's charitable activities increased by 6.9%, including a 5.8% increase in staff costs. Accordingly, the surplus on the general fund was reduced from £223,487 to £110,760. Since the end of the financial year, the referral and occupancy level has further reduced. The school is therefore taking steps in order to manage its costs.

Income from development grants, donations and fund raising declined from £285,192 to £251,894. Although the school continues actively to raise funds for particular projects, the main body of work on redeveloping the school buildings has now been completed.

The total cash and bank balances of the school at 31 August 2006 was £1,450,007 of which £528,384 represents fee income received in advance, £205,741 is held to meet other current liabilities and £362,116 is held in the designated reserve fund.

**Reserves and Investment Policy**

In order to manage the risk of fluctuations in occupancy levels, also having regard to the fact that the school also has substantial unencumbered assets, the Trustees aim to maintain an unrestricted designated reserve equivalent to three months running costs. The Trustees agree to make additions to the reserve as funds become available, either from donated funds or from surplus in general funds.

In addition to amounts held in reserve, the school receives fees in advance and funds donated for future projects and therefore from time to time holds funds in hand. The school invests such funds in interest bearing charity bonds with varying maturities having regard to the cash flow requirements of the school.

**THE MULBERRY BUSH SCHOOL LIMITED**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**RESPONSIBILITIES OF THE TRUSTEES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. Company law requires that, in preparing those financial statements, the Trustees should follow best practice and

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In accordance with company law, as the company's directors the Trustees certify that

- so far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- as directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**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

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

Approved by the Board of Trustees on 20 April 07 and signed on its behalf by:

*Gina Alexander*

Trustee

**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 2006 which comprise the statement of financial activities, balance sheet, cash flow statement and the related notes

The accounts have been prepared under the historical cost convention and the accounting policies set out therein

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable 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**

The trustees' responsibilities for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities on page 5

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 Charity 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 Charity is not disclosed

We report to you whether in our opinion the trustees' report is consistent with the financial statements

**Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the Trust'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 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 financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 August 2006 and of its incoming resources and application of resources for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985
- the information in the trustees' report is consistent with the financial statements

ABINGDON

20 April 2007

  
**Critchleys**  
**Chartered Accountants**  
**Registered Auditors**



**THE MULBERRY BUSH SCHOOL LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

		Unrestricted Funds		Restricted Fund		
	Note	General Fund £	Designated Reserve Fund £	Project Fund £	Total Funds 2006 £	Total Funds 2005 £
INCOME AND EXPENDITURE						
Incoming Resources						
Incoming resources from generated funds:						
<i>Voluntary income:</i>						
Development grants, donations and fund raising events		165,659	-	86,235	251,894	285,192
<i>Activities for generating funds:</i>						
Investment income		21,504	16,997	425	38,926	39,477
Incoming resources from charitable activities:						
Income in respect of education and child care		3,537,761	-	-	3,537,761	3,521,050
Total Incoming Resources		3,724,924	16,997	86,660	3,828,581	3,845,719
Resources Expended						
Cost of generating funds						
Costs of generating voluntary income	3	19,787	-	4,591	24,378	37,703
Charitable activities	4	3,584,653	-	4,792	3,589,445	3,354,736
Governance costs	5	9,724	-	-	9,724	8,409
Total Resources Expended		3,614,164	-	9,383	3,623,547	3,400,848
Net incoming resources before transfers						
Transfer of depreciation on development		110,760	16,997	77,277	205,034	444,871
Transfers to reserves		58,203	-	(58,203)	-	-
		(50,000)	50,000	-	-	-
Net Movement in funds		118,963	66,997	19,074	205,034	444,871
Reconciliation of funds						
Total funds brought forward	14	726,912	295,119	3,363,502	4,385,533	3,940,662
Total funds carried forward	15	845,875	362,116	3,382,576	4,590,567	4,385,533

The Statement of Financial Activities includes all gains and losses in the year expended derive from continuing activities

All incoming resources and resources

## THE MULBERRY BUSH SCHOOL LIMITED

## BALANCE SHEET

AT 31 AUGUST 2006

	Note	2006	2005
		£	£
<b>Fixed Assets</b>			
Tangible assets	9	3,784,794	3,649,862
<b>Current Assets</b>			
Stock	10	-	2,250
Debtors and prepayments	11	89,891	125,377
Cash at bank and in hand		1,450,007	1,666,606
		<u>1,539,898</u>	<u>1,794,233</u>
<b>Creditors - Amounts falling due within one year</b>			
Creditors	12	205,741	292,266
Income in advance	13	528,384	766,296
		<u>734,125</u>	<u>1,058,562</u>
<b>Net Current Assets</b>		<u>805,773</u>	<u>735,671</u>
<b>Net Assets</b>		<u>4,590,567</u>	<u>4,385,533</u>
<b>Unrestricted Funds</b>			
Designated funds	14	362,116	295,119
General funds		845,875	636,208
		<u>1,207,991</u>	<u>931,327</u>
<b>Restricted Funds</b>	14	<u>3,382,576</u>	<u>3,454,206</u>
<b>Total Funds</b>		<u>4,590,567</u>	<u>4,385,533</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities and the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved and authorised for issue by the Trustees on 20 April 07 and signed on its behalf by:

G Alexander G. Alexander Chair

D Craggs D Craggs Hon Treasurer

## THE MULBERRY BUSH SCHOOL LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2006

	General Fund £	Designated Reserve Fund £	Project Fund £	Total 2006 £	Total 2005 £
Net incoming resources (page 7)	110,760	16,997	77,277	205,034	444,871
<b>Adjustments required to derive net cashflow from operating activities</b>					
Depreciation and loss on disposal	66,406	-	-	66,406	64,458
(Increase)/decrease in net current assets	(338,127)	-	51,426	(286,701)	330,974
<b>Net cashflow from operating activities</b>	<b>(160,961)</b>	<b>16,997</b>	<b>128,703</b>	<b>(15,261)</b>	<b>840,303</b>
<b>Investing Activities:</b>					
Proceeds of sale of fixed assets	2,500	-	-	2,500	-
Purchase of tangible fixed assets	(15,968)	-	(187,870)	(203,838)	(210,584)
Transfer between funds	50,000	50,000	-	-	-
<b>(Decrease)/Increase in cash at bank and in hand</b>	<b>(224,429)</b>	<b>66,997</b>	<b>(59,167)</b>	<b>(216,599)</b>	<b>629,719</b>
<b>Cash at bank and in hand.</b>					
At 1 September 2005	1,270,729	295,119	100,758	1,666,606	1,036,887
At 31 August 2006	1,046,300	362,116	41,591	1,450,007	1,666,606
<b>Comprising:</b>					
Retained to meet current liabilities	709,807	-	24,318	734,125	1,058,562
Amount carried forward	336,493	362,116	17,273	715,882	608,044
	<b>1,046,300</b>	<b>362,116</b>	<b>41,591</b>	<b>1,450,007</b>	<b>1,666,606</b>

**THE MULBERRY BUSH SCHOOL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**1. Accounting Policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005.

**(b) Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Income either restricted or designated for use for special purposes is accounted for through separate funds (see note 14).

**(c) Incoming resources**

The following specific policies are applied to particular categories of income:

- Development grants and donations are accounted for when received.
- Investment income is included when receivable.
- Income for education and child care is accounted for on an accruals basis, according to the term to which it relates. Accordingly, income received before the year end but relating to the next financial year is carried forward on the balance sheet as 'Income in Advance'. DFES grants towards costs of charitable activities are accounted for in the periods to which they relate.

**(d) Resources expended**

All expenditure is recorded on an accruals basis and is recognised where there is a legal or constructive obligation to pay expenditure.

Expenditure has been classified as follows:

- Costs of voluntary income comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Support costs are all allocated to the one charitable activity of the company, with the exception of the salary of the fundraiser which is allocated to costs of generating voluntary income.

## THE MULBERRY BUSH SCHOOL LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2006

## 1. Accounting Policies (Continued)

## (e) Fixed Assets

All expenditure on the recent building development has been capitalised and 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.

## (f) Stock

From 2006, the costs of oil, foodstuffs and other consumables are expensed as incurred. Accordingly, as at 31 August 2006, no value is attributed to stocks. Previously, stocks were stated at the cost of the estimated amounts held at the balance sheet date.

## (g) 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.

## (h) 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.

## 2. Net Incoming Resources

This is stated after charging

	2006 £	2005 £
Depreciation	64,481	63,893
Loss on disposal of vehicle	1,925	565
Auditors' remuneration	4,174	3,150
Auditors' non-audit remuneration	5,550	4,465
	<u>          </u>	<u>          </u>

**THE MULBERRY BUSH SCHOOL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

<b>3. Cost of Generating Voluntary Income</b>	<b>2006 Total £</b>	<b>2005 Total £</b>
<b>Education and Child Care</b>		
Fundraising	7,458	20,783
Support costs (note 6)	16,920	16,920
	<hr/>	<hr/>
	24,378	37,703
	<hr/>	<hr/>
 <b>4. Charitable Activities</b>	 <b>2006 Total £</b>	 <b>2005 Total £</b>
<b>Education and Child Care</b>		
Furniture, fittings and equipment	22,150	20,057
Food	73,895	75,151
Staff costs	2,682,468	2,490,576
Staff training	15,564	19,071
Boarding costs	34,057	29,002
Education costs	39,342	21,595
Other costs	91,280	51,518
Support costs (note 6)	630,689	647,766
	<hr/>	<hr/>
	3,589,445	3,354,736
	<hr/>	<hr/>
 <b>5 Governance Costs</b>	 <b>2006 Total £</b>	 <b>2005 Total £</b>
Professional fees	-	6,683
Auditors' remuneration	4,174	3,150
Auditors' non-audit remuneration	5,550	4,465
	<hr/>	<hr/>
	9,724	14,298
	<hr/>	<hr/>

**THE MULBERRY BUSH SCHOOL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

<b>6. Support costs</b>	<b>2006 Total £</b>	<b>2005 Total £</b>
<b>Education and Child Care</b>		
Premises costs	90,279	120,878
Office costs	32,136	33,939
Staff costs	375,597	340,880
IT support	25,994	37,896
Insurance	25,026	30,140
Travelling	14,039	22,286
Depreciation and loss on disposal	66,406	64,458
Other costs	18,132	14,209
	<u>647,609</u>	<u>664,686</u>
<b>Allocated to.</b>		
Costs of generating voluntary income	16,920	16,920
Charitable activities	630,689	647,766
	<u>647,609</u>	<u>664,686</u>
<b>7. Staff Costs and Numbers</b>	<b>2006 £</b>	<b>2005 £</b>
Staff costs were as follows		
Salaries and wages	2,596,623	2,431,023
Social Security costs	265,063	228,710
Pension costs – Non-teaching staff	106,820	88,531
Teaching staff	58,479	43,602
	<u>3,026,985</u>	<u>2,791,866</u>
Total		

These amounts included salaries and pensions of £164,220 (2005 £176,968) for staff at the Tavistock Clinic, which are recharged to the Clinic at cost. At 31 August 2006 an amount of £13,957 (2005 £13,418) was due from the Tavistock Clinic.

1 employee's emoluments were in excess of £60,000 for the year. The pension costs were £5,656.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	<b>2006 No</b>	<b>2005 No</b>
Teaching and residential care	86	81
Domestic	22	22
Administration	5	4
	<u>113</u>	<u>107</u>

Pension costs outstanding at the balance sheet date were £33,353 (2005 £31,246).

**THE MULBERRY BUSH SCHOOL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**8. Trustee Remuneration and Related Party Transactions**

During the year £1,027 (2005 £794) was reimbursed to four trustees in respect of travel and other incidental expenses. No trustee received any remuneration.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2005 nil).

**9. Tangible Fixed Assets**

	<b>Freehold Land and Buildings</b>		<b>Furniture and Equipment</b>		<b>Motor Vehicles</b>	<b>Total</b>
	<b>New Development</b>	<b>Original</b>	<b>New Development</b>	<b>Original</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>						
At 1 September 2005	3,331,055	231,273	197,053	19,179	46,875	3,825,435
Additions in year	161,149	-	26,721	11,562	4,406	203,838
Disposals	-	-	-	-	(8,990)	(8,990)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2006	3,492,204	231,273	223,774	30,741	42,291	4,020,283
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 September 2005	153,823	-	-	-	21,750	175,573
Charge for the year	58,203	-	-	-	6,278	64,481
Eliminated on disposal	-	-	-	-	(4,565)	(4,565)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2006	212,026	-	-	-	23,463	235,489
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value:</b>						
At 31 August 2006	3,280,178	231,273	223,774	30,741	18,828	3,784,794
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2005	3,177,232	231,273	197,053	19,179	25,125	3,649,862
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Depreciation on fixed assets is provided as follows

Land and Buildings	New development depreciated over 60 years (note 1e)
Furniture and Equipment	No depreciation is provided (note 1e)
Motor Vehicles	25% on reducing balance



**THE MULBERRY BUSH SCHOOL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

<b>10 Stock</b>	<b>2006 £</b>	<b>2005 £</b>
Food	-	1,500
Oil	-	750
	<hr/>	<hr/>
	-	2,250
	<hr/>	<hr/>
As described in note 1(f), from 2006 value is no longer attributed to stocks		
<b>11 Debtors</b>	<b>2006 £</b>	<b>2005 £</b>
Amounts due in respect of fees outstanding	62,040	79,421
Prepayments	13,894	26,577
Other debtors	13,957	19,379
	<hr/>	<hr/>
	89,891	125,377
	<hr/>	<hr/>
<b>12. Creditors – Amounts falling due within one year</b>	<b>2006 £</b>	<b>2005 £</b>
Operating creditors	44,951	71,300
Other taxes and social security	77,022	78,815
Other creditors	938	3,947
Accruals and deferred income	38,768	109,963
Pension contributions	44,062	28,241
	<hr/>	<hr/>
	205,741	292,266
	<hr/>	<hr/>
<b>13 Income in Advance</b>	<b>2006 £</b>	<b>2005 £</b>
Opening balance	766,296	320,699
Realised in year	(766,296)	(320,699)
Deferred in year	528,384	766,296
	<hr/>	<hr/>
	528,384	766,296
	<hr/>	<hr/>

**THE MULBERRY BUSH SCHOOL LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2005**

**14 Restricted and Designated Funds**

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal. There was one restricted fund during the year, the Project Fund, (previously called the Development Fund) which is credited with grants and donations received towards redevelopment and improvements to the School's accommodation. Costs of fund raising and certain revenue expenditure have been charged to the fund. Development costs are capitalised.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The Designated Reserve Fund is credited with transfers from General Fund in accordance with the school's reserve policy, in order to assist in managing the financial impact of potential fluctuations in occupancy and to provide for other exceptional expenditures such as major repairs.

The Standards Fund (to develop the School's curriculum and for the general benefit of the School) had previously been treated as a restricted fund but following confirmation from the DFES grants received and related expenditure are now accounted for as part of general funds. The balance on the Standards Fund as at 1 September 2005 has accordingly been reclassified to the General Fund.

<b>15. Analysis of Net Assets between Funds</b>	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Tangible assets	280,842	-	3,503,952	3,784,794
Current assets	1,131,525	362,116	46,257	1,539,898
Current liabilities	(566,492)	-	(167,633)	(734,125)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31 August 2006	845,875	362,116	3,382,576	4,590,567
	<hr/>	<hr/>	<hr/>	<hr/>

<b>16 Annual commitments under operating leases</b>	<b>Land &amp; Buildings £</b>	<b>Other £</b>
Annual amount payable in respect of a lease expiring in two to five years	-	3,756
	<hr/>	<hr/>

**MULBERRY BUSH SCHOOL**  
**INCOME AND EXPENDITURE ACCOUNT - GENERAL FUND**

	<b>Actual 2006 £</b>	<b>Budget 2006 £</b>
<b>INCOME</b>		
Fees	3,534,761	3,503,657
Bank Interest	21,504	7,500
Friends - Events	9,120	0
Christmas Cards	1,909	0
Donations/Hire of hall	7,935	0
Assessments	3,000	6,000
DFES Grant Received	146,695	-
<b>TOTAL INCOME</b>	<b>3,724,924</b>	<b>3,517,157</b>
<b>EXPENDITURE</b>		
<b>Total Payroll</b>	<b>3,058,065</b>	<b>3,048,067</b>
Domestic Equipment	8,812	5,125
Office Equipment	4,063	8,405
Medical	10,553	9,456
Food	72,395	73,185
Group Living	23,504	25,296
Shifford	769	3,000
Forest School	19	0
Whole School Expenses/Therapy	47,074	40,705
Education	11,684	16,618
IT	25,994	28,000
Pocket Money	2,101	2,398
Library/Subs	13,308	5,870
Staff Training	15,564	20,000
External Training & Consultancy	600	5,000
Repairs and Maintenance	40,162	48,329
Oil, Gas, Electricity	29,988	25,225
Cleaning Materials	10,237	10,506
Rates and Water	9,142	10,500
Sale of Assets	1,925	0
Advertising	7,241	15,375
Telephone	14,295	13,196
Postage	2,575	3,152
Office Expenses - General	15,266	4,600
Travel Expenses	14,039	23,091
Professional Fees	31,016	11,233
Miscellaneous	13,340	6,784
Insurance	25,026	28,875
Public Relations	32,981	25,625
Friends - Events	2,867	0
Depreciation Fund	64,481	50,000
Contingency	2,828	0
<b>TOTAL OTHER COSTS</b>	<b>553,849</b>	<b>519,549</b>
<b>TOTAL EXPENDITURE</b>	<b>3,611,914</b>	<b>3,567,616</b>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	<b>113,010</b>	<b>-50,459</b>