

THE MULBERRY BUSH SCHOOL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007

REGISTERED COMPANY NO: 538828

REGISTERED CHARITY NO: 309565



THE MULBERRY BUSH SCHOOL LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2007

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THE MULBERRY BUSH SCHOOL LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2007

The trustees present their report and audited financial statements for the year ended 31 August 2007

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 2007 were

ALEXANDER, Dr Gina	Jungian Analyst (retired)	Chair
ATKINSON, Lady (Judith)	Social Work Unit Manager (retired)	Chair, Education & Treatment Committee
BLAIR, Dr Ian (resigned 20 04 07)	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 (resigned 20 04 07)	Clinical Psychologist	Chair, Tavistock Mulberry Bush Day Unit Management Committee
RENDALL, Dr Sue	Consultant Child & Educational Psychologist	
ROGERS, Mrs Eva	Horticulturist	
SMITH, Ms Elaine	Lawyer, Lecturer Management Professional Studies	Vice Chair
TAYLOR, Dr Georgina	Teacher	
	Mulberry Bush School	Staff Trustee
WILSON, Lady (resigned 20 04 07)	Psychotherapist	
WOODWARD, Mrs Camilla		

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 2007

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 as subsequently amended.

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 Office for Standards in Education (OFSTED). Recruitment is in accordance with the requirements of National Minimum Standards under the Care Standards Act 2000 and protocols are also reviewed by OFSTED.

THE MULBERRY BUSH SCHOOL LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

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. This agreement ended in February 2007. Under the terms of this agreement the Mulberry Bush School employed teaching staff at the Tavistock Mulberry Bush Day Unit and was 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.

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.

Each year, the Board of Trustees reviews with the CMG a rolling strategic plan that looks at the vision and objectives of the school over a one, three and ten year timescale. The objectives of the plan include:

- A development of new services, alone or through affiliated organisations, to include training and consulting services, nursery or therapeutic pre-school provision, outreach services providing assessment, consultation, supervision and support for families, local authorities, schools and other organisations and a fostering agency for respite placements.
- An investment in long term research studies to demonstrate the value of its therapeutic care provision.
- An extension of existing services to include day and week placements, an extended 52 week therapeutic care and education, psychotherapy services and, in the longer term, an expansion of its facilities to work with a greater number of children.

THE MULBERRY BUSH SCHOOL LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

ACHIEVEMENTS AND PERFORMANCE

The principal 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

During the year, the school experienced a downturn in referrals that the Trustees believe was largely attributed to the slow integration of local authority services into new Childrens' Trusts, resulting in changes and disruptions to commissioning of placements. As a consequence, the average occupancy fell from an average of 32 in 2006 to 29 in 2007 (having reached an all time high of 36 in 2005) and total income in respect of education and child care reduced from £3,567,761 in 2006 to £3,429,193 in 2007

In these changing circumstances, the CMG undertook a review and consultation of the organisation of the school and took steps to manage its costs, resulting in a reduction in the cost of its charitable service provision from £3,584,653 in 2006 to £3,518,452 in 2007. However, this reorganisation was not fully effective until later in the year and there was accordingly a deficit in the general fund of £96,339 in 2007 (2006 surplus of £110,760). This is stated after charging depreciation of £63,134 (2006 £66,406)

The trustees believe that these reorganisation steps now enable the school to sustain a lower occupancy whilst providing flexibility to manage a recovery in referrals, however, as noted above under 'Objectives and Activities', they are also taking steps and develop new services to meet new challenges

Income from grants, donations and fund raising events reduced from £251,894 in 2006 to £177,463 in 2007. Of this amount, £131,700 was spent on additions to fixed assets, including £72,890 on a new security and alarm system and £30,246 on IT equipment

The total cash and bank balances as at 31 August 2007 was £1,337,188 (2006 £1,450,007) of which £606,602 represents fee income received in advance, £193,001 is held to meet other current liabilities and £377,055 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 2007

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

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and which they know the auditors are unaware of

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)

Approved by the Board of Trustees on 25 April 2008 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 2007 which comprise the statement of financial activities, balance sheet, cash flow statement and the related notes. The accounts have been prepared in accordance with 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 whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

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 2007 and of its incoming resources, and application of resources, including its income and expenditure 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
25 April 2008


Critchleys
Chartered Accountants
Registered Auditors

THE MULBERRY BUSH SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2007

	Note	Unrestricted Funds General Fund £	Designated Reserve Fund £	Restricted Fund Project Fund £	Total Funds 2007 £	Total Funds 2006 £
INCOME AND EXPENDITURE						
Incoming Resources						
Incoming resources from generated funds:						
Voluntary income.						
Development grants, donations and fund raising events		10,665	-	166,798	177,463	251,894
Activities for generating funds:						
Investment income		27,441	15,020	1,803	44,264	38,926
Incoming resources from charitable activities						
Income in respect of education and child care		3,429,193	-	-	3,429,193	3,537,761
Total Incoming Resources		3,467,299	15,020	168,601	3,650,920	3,828,581
Resources Expended						
Cost of generating funds						
Costs of generating voluntary income	3	31,473	-	-	31,473	24,378
Charitable activities	4	3,518,452	81	21	3,518,554	3,589,445
Governance costs	5	13,713	-	-	13,713	9,724
Total Resources Expended		3,563,638	81	21	3,563,740	3,623,547
Net (outgoing)/incoming resources before transfers						
Transfer of depreciation on development		(96,339)	14,939	168,580	87,180	205,034
Transfers to reserves		58,427	-	(58,427)	-	-
Net Movement in funds		(37,912)	14,939	110,153	87,180	205,034
Reconciliation of funds						
Total funds brought forward		845,875	362,116	3,382,576	4,590,567	4,385,533
Total funds carried forward	14	807,963	377,055	3,492,729	4,677,747	4,590,567

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

THE MULBERRY BUSH SCHOOL LIMITED

BALANCE SHEET

AT 31 AUGUST 2007

	Note	2007 £	2006 £
Fixed Assets			
Tangible assets	9	3,853,360	3,784,794
Current Assets			
Debtors and prepayments	10	286,802	89,891
Cash at bank and in hand		1,337,188	1,450,007
		<u>1,623,990</u>	<u>1,539,898</u>
Creditors - Amounts falling due within one year			
Creditors	11	193,001	205,741
Income in advance	12	606,602	528,384
		<u>799,603</u>	<u>734,125</u>
Net Current Assets		<u>824,387</u>	<u>805,773</u>
Net Assets		<u>4,677,747</u>	<u>4,590,567</u>
Unrestricted Funds			
Designated funds	13	377,055	362,116
General funds		807,963	845,875
		<u>1,185,018</u>	<u>1,207,991</u>
Restricted Funds	13	<u>3,492,729</u>	<u>3,382,576</u>
Total Funds	14	<u>4,677,747</u>	<u>4,590,567</u>

Approved and authorised for issue by the Trustees on 28 April 2008 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 2007

	General Fund £	Designated Reserve Fund £	Project Fund £	Total 2007 £	Total 2006 £
Net (outgoing)/incoming resources (page 7)	(96,339)	14,939	168,580	87,180	205,034
Adjustments required to derive net cashflow from operating activities					
Depreciation and loss on disposal	63,134	-	-	63,134	66,406
(Increase)/decrease in net current assets	(161,919)	-	30,486	(131,433)	(286,701)
Net cashflow from operating activities	(195,124)	14,939	199,066	18,881	(15,261)
Investing Activities:					
Proceeds of sale of fixed assets	-	-	-	-	2,500
Purchase of tangible fixed assets	-	-	(131,700)	(131,700)	(203,838)
Transfer between funds	-	-	-	-	-
(Decrease)/Increase in cash at bank and in hand	(195,124)	14,939	67,366	(112,819)	(216,599)
Cash at bank and in hand.					
At 1 September 2006	1,046,300	362,116	41,591	1,450,007	1,666,606
At 31 August 2007	851,176	377,055	108,957	1,337,188	1,450,007
Comprising:					
Retained to meet current liabilities	736,947	-	62,656	799,603	734,125
Amount carried forward	114,229	377,055	46,301	537,585	715,882
	851,176	377,055	108,957	1,337,188	1,450,007

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007

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 13).

(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'. Grants from the Department for Children, Schools and Families towards costs of charitable activities are accounted for when there is evidence of entitlement and the amount can be measured.

(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 2007

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) 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.

(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.

2. Net Incoming Resources**This is stated after charging:**

	2007 £	2006 £
Depreciation	63,134	64,481
Loss on disposal of vehicle	-	1,925
Auditors' remuneration	6,300	4,174
Auditors' non-audit remuneration	7,413	5,550
	<u> </u>	<u> </u>

3. Cost of Generating Voluntary Income**Education and Child Care**

	2007 Total £	2006 Total £
Fundraising	9,707	7,458
Support costs (note 6)	21,766	16,920
	<u> </u>	<u> </u>
	31,473	24,378
	<u> </u>	<u> </u>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

4. Charitable Activities	2007 Total £	2006 Total £
Education and Child Care		
Furniture, fittings and equipment	14,524	22,150
Food	59,593	73,895
Staff costs	2,691,428	2,682,468
Gap students	22,733	-
Staff training	12,477	15,564
Boarding costs	12,938	34,057
Education costs	19,026	39,342
Other costs	115,097	91,280
Support costs (note 6)	570,738	630,689
	<hr/> 3,518,554 <hr/>	<hr/> 3,589,445 <hr/>
5. Governance Costs	2007 Total £	2006 Total £
Auditors' remuneration	6,300	4,174
Auditors' non-audit remuneration	7,413	5,550
	<hr/> 13,713 <hr/>	<hr/> 9,724 <hr/>
6. Support costs	2007 Total £	2006 Total £
Premises costs	82,639	90,279
Office costs	30,255	32,136
Staff costs	330,696	375,597
IT support	25,606	25,994
Insurance	29,982	25,026
Travelling	24,615	14,039
Depreciation	63,134	66,406
Other costs	5,577	18,132
	<hr/> 592,504 <hr/>	<hr/> 647,609 <hr/>
Allocated to:		
Costs of generating voluntary income	21,766	16,920
Charitable activities	570,738	630,689
	<hr/> 592,504 <hr/>	<hr/> 647,609 <hr/>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

7 Staff Costs and Numbers	2007 £	2006 £
Staff costs were as follows		
Salaries and wages	2,623,542	2,596,623
Social Security costs	253,023	265,063
Pension costs – Non-teaching staff	110,950	106,820
Teaching staff	34,609	58,479
	<hr/>	<hr/>
Total	3,022,124	3,026,985
	<hr/>	<hr/>

These amounts included salaries and pensions of £241,424 (2006 £164,220) for staff at the Tavistock Clinic, which are recharged to the Clinic at cost. At 31 August 2007 an amount of £22,586 (2006 £13,957) was due from the Tavistock Clinic.

1 employee's emoluments were in excess of £60,000 for the year. The pension costs were £5,933.

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

	2007 No	2006 No
Teaching and residential care	79	86
Domestic	22	22
Administration	7	5
	<hr/>	<hr/>
	108	113

Pension costs outstanding at the balance sheet date were £23,298 (2006 £33,353).

8. Trustee Remuneration and Related Party Transactions

During the year £952 (2006 £1,027) was reimbursed to three trustees (2006 four) 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 (2006 nil).

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

9. Tangible Fixed Assets

	Freehold Land and Buildings		Furniture and Equipment		Motor Vehicles	Total
	New Development £	Original £	New Development £	Original £	£	£
Cost.						
At 1 September 2006	3,492,204	231,273	223,774	30,741	42,291	4,020,283
Additions in year	13,392	-	118,308	-	-	131,700
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2007	3,505,596	231,273	342,082	30,741	42,291	4,151,983
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
At 1 September 2006	212,026	-	-	-	23,463	235,489
Charge for the year	58,427	-	-	-	4,707	63,134
Eliminated on disposal	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2007	270,453	-	-	-	28,170	298,623
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value						
At 31 August 2007	3,235,143	231,273	342,082	30,741	14,121	3,853,360
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2006	3,280,178	231,273	223,774	30,741	18,828	3,784,794
	<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 2007

10 Debtors	2007 £	2006 £
Amounts due in respect of fees outstanding	144,363	62,040
Prepayments	9,116	13,894
Other debtors	133,323	13,957
	<u>286,802</u>	<u>89,891</u>
11. Creditors – Amounts falling due within one year	2007 £	2006 £
Operating creditors	51,039	44,951
Other taxes and social security	75,646	77,022
Other creditors	-	938
Accruals	43,018	38,768
Pension contributions	23,298	44,062
	<u>193,001</u>	<u>205,741</u>
12. Income in Advance	2007 £	2006 £
Opening balance	528,384	766,296
Realised in year	(528,384)	(766,296)
Deferred in year	606,602	528,384
	<u>606,602</u>	<u>528,384</u>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

13 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.

14. Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible assets	276,135	-	3,577,225	3,853,360
Current assets	1,268,775	377,055	(21,840)	1,623,990
Current liabilities	(736,947)	-	(62,656)	(799,603)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31 August 2007	807,963	377,055	3,492,729	4,677,747
	<hr/>	<hr/>	<hr/>	<hr/>

15. Annual commitments under operating leases

	Land & Buildings £	Other £
Annual amount payable in respect of a lease expiring in two to five years	-	3,756
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