

THE MULBERRY BUSH SCHOOL LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1997

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

Director:

Richard Rollinson, MSc, CQSW

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

INDEX TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1997

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THE MULBERRY BUSH SCHOOL LIMITED

REPORT OF THE MANAGERS

The managers present their report and audited accounts for the year ended 31 August 1997.

The managers during the year ended 31 August 1997 were :-

ATKINSON, Judith	Psychiatric Social Worker	
AUSTIN, Mark	Educational Psychologist	
BANFIELD, Helen	Teacher	
BLAIR, Ian	Physicist	LEA Representative
BLOM-COOPER, Lady	Justice of the Peace, Family and Youth Court	
BRITTAIN, Mrs Deborah	Musician/Teacher of Music	
BURT, Mrs Virginia	Ancillary Staff Manager	
* CRAGGS, Dennis	Chartered Accountant	
* DENMAN CBE, Mrs Sylvia	Lawyer	
DOUGLAS, James	Lecturer in Social Work	
GRIST, Malcolm	Parent Manager	
HOLDITCH, Mrs Lesley	Educational Psychologist	Chair, Education & Treatment Committee
JAMES, Dr Elisabeth	Consultant Child Psychiatrist	
LUCAS, Mrs Margarete	Residential Social Worker Manager	
MASON, David	Author	(Appointed February 1997)
* ROBERTS, Nigel T	Teacher (retired)	Chair, Staffing Sub-Committee
* ROGERS, Mrs Eva	Botanist	
SMITH, Elaine	Lawyer/Lecturer in Management Professional Studies	Vice-Chair
* WILSON, Guy	Solicitor	Chair

* Also members of Finance and General Purposes Committee.

No other person has been a manager during this period.

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

The liability of the managers 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 school at Standlake, Oxfordshire for children of primary school age with severe emotional and behavioural problems.

In the year to 31 August 1996 the members of the school entered into an agreement with the Tavistock Clinic. Under the terms of this agreement the Mulberry Bush School employs teaching staff at the Tavistock Day Unit and is reimbursed for their services. The Tavistock 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 MANAGERS (CONTINUED)

Annual Income and Expenditure Review

During the year, income from the provision of education and child care services increased by 4.7% to £1,445,984. However, due to higher costs, including an increase in payroll costs of 11.1%, the surplus in The General Fund was reduced from £69,964 to £4,317.

The overall surplus of the school increased from £186,389 to £377,191. This includes a surplus in the Development Fund of £302,232 due to grants and donations increasing to £312,455. £347,386 of expenditure on the first phase of the school redevelopment was capitalised during the year and £106,796 has been carried forward. This resource, together with an additional £420,000 of committed funds, will be applied to construction of the second phase, which commenced in November 1997.

The surplus of £70,642 in Other Restricted Funds comprises grants for reimbursement of specific expenditure to be incurred in 1997/98.

State of Affairs and Future Developments

The Managers are confident that the financial base of the School continues to be sound and we continue to have a clear and well monitored plan in order to maintain this position.

It is encouraging and satisfying that the rates of enquiries and appropriate referrals have, if anything, increased somewhat over recent years and we remain reasonably confident that this will continue to hold true in the coming year.

Within the School the opening of the first new purpose-built household for group living has been an exciting event which already has surpassed our greatest expectations. This has enabled the staff to carry on with their very dedicated work of educating and caring for the children in circumstances that make their activities even more successful. Certainly, the immensely favourable responses of visitors to the School have continued unabated, with many declaring their relief and pleasure with all that they have observed. Once again the Inspection Report on safety and welfare of children which is produced by the Oxfordshire Independent Inspection Unit was very positive about the work with children and the support of staff.

This year has also seen an increased level of activity between the School and the Tavistock Mulberry Bush Day Unit, particularly in relation to the sharing of ideas, policies and practices in the education and management of emotionally troubled young children. Even more of this work is planned in the coming year. The partnership in this area is now beginning to achieve the levels and benefits for which everyone involved in setting it up had hoped.

The Building Project is proceeding apace under the competent co-ordination and guidance of Kemble Croft, Project Manager. Very shortly after the completion and occupation of the first household work began on the second phase, funded in very great part by a charitable trust which has been a valued supporter of the School over some years now. When complete in turn this summer, we shall have two more purpose-built houses for children. This will ensure that the largest number of children will be living in accommodation that is most appropriate for their work and of the highest standard.

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

State of Affairs and Future Developments (Continued)

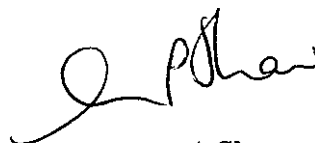
Even now the activities of the Fund Raiser and Fund Raising Committee are geared toward securing sufficient funds in the first instance to complete the construction and furnishing of the four planned households and then to embark upon the education and management/administration areas. It is our hopeful expectation that we shall continue to have the success in this activity that we have enjoyed in recent years. Indeed, not only have we been successful in relation to the building project but we also have secured grants totalling £414,000 from the National Lottery Charities Board and the Gatsby Trust. These funds are to support a three year development project on working with the families of children placed at the School.

In terms of Local Authorities and their difficult financial state, little has changed over the past year. Nevertheless, the School feels it has a positive working relationship with many of them and the Managers are therefore confident that there will continue to be a demand for places here where children receive both good quality care and valuable education. The work of the coming year, again, will be to develop this provision even more and secure the funding to take forward further the plans for redevelopment.

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 managers.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'A Shaw', is written over a horizontal line.

A Shaw
Secretary

15 November 1997

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

We have audited the accounts on pages 5 to 12.

Respective Responsibilities of Managers and Auditors

As described on page 7 the company's managers are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

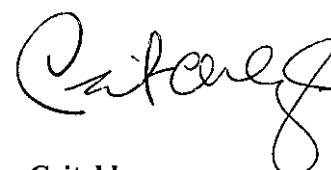
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the managers in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 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 state of the company's affairs at 31 August 1997 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
15 December 1997



Critchleys
Chartered Accountants
Registered Auditors

THE MULBERRY BUSH SCHOOL LIMITED

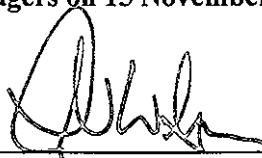
BALANCE SHEET

AT 31 AUGUST 1997

	Note	1997 £	1996 £
Fixed Assets			
Tangible Assets	2(c) & 5.	721707	377393
Current Assets			
Stock	6.	2250	2250
Debtors and Prepayments	7.	47501	36548
Cash at Bank and in Hand		402534	367868
		<hr/>	<hr/>
		452285	406666
		<hr/>	<hr/>
Current Liabilities			
Amounts falling due within one year :-			
Creditors	8.	137343	63604
Income in Advance		86707	147704
		<hr/>	<hr/>
		224050	211308
		<hr/>	<hr/>
Net Current Assets		228235	195358
		<hr/>	<hr/>
Total Assets less Current Liabilities		949942	572751
		<hr/>	<hr/>
Financed by :-			
Accumulated Funds (page 6)		949942	572751
		<hr/>	<hr/>

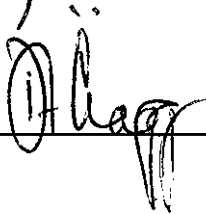
The accounts were approved by the Managers on 15 November 1997.

G Wilson



Chair

D Craggs



Hon Treasurer

THE MULBERRY BUSH SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 1997

	Unrestricted Funds		Restricted/Designated Funds Note 9			
	1997 Total £	General Fund £	Development Fund £	Repair Fund £	Other Funds £	1996 Total £
Incoming Resources						
Income in respect of education and child care	1445984	1445984	-	-	-	1381038
Development grants and donations	408516	5726	312455	-	90335	144801
Investment Income	13016	7381	5635	-	-	10075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1867516	1459091	318090	-	90335	1535914
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Resources Expended						
Direct Charitable Expenditure						
Education and Child Care						
Teaching and boarding expenses	1137835	1137835	-	-	-	1016012
Property and administration expenses	308805	289112	-	-	19693	285398
Other Expenditure						
Fund raising	15858	-	15858	-	-	17549
Development revenue expenditure	-	-	-	-	-	7412
Management and Administration of the Charity	27827	27827	-	-	-	23154
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1490325	1454774	15858	-	19693	1349525
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Incoming Resources	377191	4317	302232	-	70642	186389
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transfer	-	-	5000	-	(5000)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds for the Year	377191	4317	307232	-	65642	186389
Accumulated Funds brought forward	572751	332299	167702	65000	7750	386362
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Funds carried forward	949942	336616	474934	65000	73392	572751
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of Net Assets Between Funds						
Cumulative expenditure on tangible fixed assets	721707	353569	368138	-	-	377393
Net Current Assets	228235	(16953)	106796	65000	73392	195358
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	949942	336616	474934	65000	73392	572751
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 1997****1. Managers' Responsibilities**

Company law requires the managers 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 managers 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 business.

The managers 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. As a small company, the exemption from preparing a cash flow statement has been adopted.

There were no acquisitions or discontinued activities during the year.

(b) Income

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

No depreciation is provided on freehold land and buildings or furniture and equipment. Although the Companies Act 1985 requires a charge for depreciation to be made on fixed assets having a finite life, the buildings in use by the school are an important part of the character of the school and consequently the managers ensure that they are fully maintained in order that their useful life be extended indefinitely. It is therefore considered inappropriate to charge depreciation in these circumstances. All expenditure on the major redevelopment of the school buildings, including related furniture and equipment, is being capitalised. Otherwise replacements, refurbishments and routine additions to furniture and equipment are charged to revenue.

(d) Stock

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

THE MULBERRY BUSH SCHOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1997

(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 a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested by the Department of Education. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the company, and are determined by a qualified actuary.

(f) 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. Surplus for the year	1997	1996
	£	£
This is stated after charging :-		
Managers Emoluments	Nil	Nil
Depreciation	3072	4095
Auditors' Remuneration	2405	2290
Leasing of Office Equipment	3120	3120
	<u> </u>	<u> </u>
 4. Employees	 1997	 1996
	£	£
Costs :-		
Salaries and Wages	1025901	937914
National Insurance	83982	78461
Pension Costs - non-teaching staff	23644	22510
teaching staff	29236	25510
	<u> </u>	<u> </u>
	1162763	1064395
	<u> </u>	<u> </u>

During the year, £1103 was reimbursed to six managers in respect of travel and other incidental expenses.

THE MULBERRY BUSH SCHOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1997

4. Employees (Continued)

Average Number of Persons Employed	1997	1996
Teaching and Residential Care	45	40
Domestic	15	15
Administration	2	2
	<hr/>	<hr/>
	62	57
	<hr/>	<hr/>

These amounts include salaries of £85,794 (1996 : £87,330) for staff at the Tavistock Clinic which are recharged to the Clinic at cost.

5. Tangible Fixed Assets

	Freehold Land and Buildings		Furniture and Equipment		Motor Vehicles	Total
	New Development £	Original £	New Development £	Original £	£	£
Cost:						
At 1 September 1996	20752	324978	-	19376	52518	417624
Additions in year	323957	-	23429	-	-	347386
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1997	344709	324978	23429	19376	52518	765010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
At 1 September 1996	-	-	-	-	40231	40231
Charge for the year	-	-	-	-	3072	3072
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1997	-	-	-	-	43303	43303
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value:						
At 31 August 1997	344709	324978	23429	19376	9215	721707
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1996	20752	324978	-	19376	12287	377393
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Depreciation on fixed assets is provided as follows :-

Land and Buildings
Furniture and Equipment
Motor Vehicles

No depreciation is provided (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 1997

6. Stock	1997 £	1996 £
Food	1500	1500
Oil	750	750
	<hr/>	<hr/>
	2250	2250
	<hr/>	<hr/>
7. Debtors	1997 £	1996 £
Amounts due in respect of fees outstanding	32515	25232
Prepayments	3703	2129
Other debtors	11283	9187
	<hr/>	<hr/>
	47501	36548
	<hr/>	<hr/>
8. Creditors	1997 £	1996 £
Operating Creditors	27363	18621
Other Taxation and Social Security	27140	27966
Other Creditors	5317	10352
Accruals and Deferred Income	77523	6665
	<hr/>	<hr/>
	137343	63604
	<hr/>	<hr/>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 1997

9. Restricted/Designated Funds

The Development 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. Following commencement of building work, development costs are now capitalised

The Repair Fund is retained to meet the cost of major repairs.

An analysis of the other restricted/designated funds is:

	1997 Total £	Video Fund £	Diaspora Fund £	Family Care Team Fund £	50th Anniversary Fund £
Income					
Donations	90335	15667	250	64292	10126
	—	—	—	—	—
Total Income	90335	15667	250	64292	10126
	—	—	—	—	—
Expenditure					
Family Care Team	4026	-	-	4026	-
Video Production Costs	15667	15667	-	-	-
	—	—	—	—	—
Total Revenue Expenditure	19693	15667	-	4026	-
	—	—	—	—	—
Surplus of Income over Expenditure	70642	-	250	60266	10126
Transfer	(5000)	-	-	(5000)	-
	—	—	—	—	—
Retained in the year for future use	65642	-	250	55266	10126
Brought forward	7750	-	2750	5000	-
	—	—	—	—	—
Carried forward	73392	-	3000	60266	10126
	==	==	==	==	==

The Video Fund was set up in respect of the production of a promotional video. The total cost of £47000 has been met by donations, the balance of £31333 being funded after the balance sheet date.

The Diaspora fund is set up to support former pupils.

The Family Care Fund is credited with donations intended for work with families of pupils at the school.

The 50th Anniversary Fund is credited with donations to meet the costs of a conference to celebrate the 50th Anniversary of the school in 1998.

THE MULBERRY BUSH SCHOOL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1997

10. Post Balance Sheet Events and Capital Commitments

The school has as a stated objective the development of 'small group living'. To achieve this the school has prepared a development plan for the modernisation of school buildings. However, before any development occurs the managers ensure that there are sufficient funds to complete each phase of the development programme.

The school has received a commitment from a charitable trust of £420,000 towards the cost of the second phase of the development. Accordingly since the end of the financial year the school has authorised expenditure and entered into a contract for the construction of this phase at a cost of £465,565. The grant will be released as the expenditure is incurred.

11. Commitments Under Operating Leases

Annual amounts payable in respect of operating leases which expire:	Land and Buildings £	Other £
Within one year	18000	693
Within two to five years	-	1297
After five years	-	-
	<u> </u>	<u> </u>