

Reg 57 Co

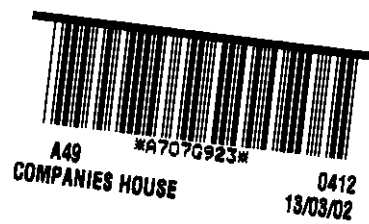
THE MULBERRY BUSH SCHOOL LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2001

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:

John Diamond

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 2001

	Page
Report of the Trustees	1. to 3.
Auditors' Report	4.
Statement of Financial Activities	5.
Balance Sheet	6.
Cash Flow Statement	7.
Notes to the Accounts	8. to 13.

THE MULBERRY BUSH SCHOOL LIMITED

REPORT OF THE TRUSTEES

The trustees present their report and audited accounts for the year ended 31 August 2001.

The trustees during the year ended 31 August 2001 were:

ATKINSON, Judith	Psychiatric Social Worker	
AUSTIN, Mark	Educational Psychologist	Resigned January 2001
BLAIR, Ian	Physicist	LEA Representative
BRITTAIN, Mrs Deborah	Musician/Teacher of Music	
* CRAGGS, Dennis	Chartered Accountant	
DOUGLAS, James	Lecturer in Social Work	
GRAHAM, Dr Richard	Consultant Child Psychiatrist	
HARVEY, Alan	Consultant Child Psychiatrist	
HOLDITCH, Mrs Lesley	Educational Psychologist	Chair, Education & Treatment Committee
IRVINE Bruce	Consultant Psychiatrist	Appointed January 2001
JAMES, Dr Elisabeth	Consultant Child Psychiatrist	
LUCAS, Mrs Margarete	Residential Social Worker Manager	Resigned 27 January 2001
MASON, David	Author	Resigned 27 January 2001
MUNDY Elizabeth	Parent Manager	Resigned March 2001
* ROBERTS, Nigel T	Teacher (retired)	Chair, Staffing Sub-Committee
* ROGERS, Mrs Eva	Horticulturist	
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 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 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 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 TRUSTEES (CONTINUED)

Annual Income and Expenditure Review

Following a difficult year in 2000 in maintaining the level of referrals, the position improved significantly in 2001 and for most of the financial year, occupancy was maintained at or close to its maximum level of 36 children. As a result, fee income in respect of education and childcare increased by 14.5% to £2,106,579. The school maintained the high level of resources committed to the provision of education and childcare under the Business and Development Plan. General Fund Expenditure on these services increased by 8.2% to £2,075,905 partly due to the inclusion for the first time of costs of the family care team which were previously independently funded. Accordingly, despite the high level of occupancy, the surplus in the General Fund was held to £16,579. In 2000, the school introduced a higher fee level designed to cover the true current cost of a placement including all of these additional resources although this only applies to new intake and has yet to come fully into effect.

Income on the Development Fund in 2001 from development grants, donations and fund raising was £417,540. Expenditure on the development programme was £677,210, primarily on the completion of the Family Team unit, administration facilities and parking area and reception, increasing the total spent on the development to date to £2,713,120.

The deficit in Other Funds of £65,858 was due to expenditure on the Family Care Team out of Accumulated Funds Brought Forward. In future, these costs will be borne directly by the General Fund.

State of Affairs and Future Developments

We are now approaching the conclusion of the school's redevelopment project, which over the past five years has completely transformed the physical structure of the school. This has provided us with a purpose built high quality environment in which to continue the task of providing specialist care and education for some of the country's most severely disadvantaged young people. This environment will also, we hope, attract service users looking for quality placements.

Our objective now is to use this newly integrated environment in a way that will increase the effectiveness of our task, and deepen the possibilities for a nurturing and teaching child centred service.

Since April 2001 we have for the first time in 10 years a waiting list of children being referred to the school, which at the beginning of November stood at nine children. We envisage that we will achieve a full capacity of 36 children by the end of November 2001.

We have recently received a positive Social Services Inspection Report, and a recent visitor from the Government's Quality Protects initiative has provided links for us to join an external working group to implement the Government's National Service Framework for vulnerable children. We have also recently been involved in the consultation period for the Department of Health National Minimum Care Standards. We believe we are already in a strong position to develop and implement these structured targets by April 2002 when the National Care Standards Commission will be created.

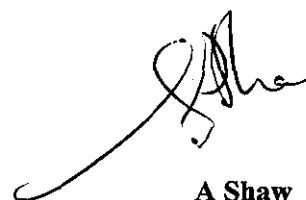
THE MULBERRY BUSH SCHOOL LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

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 handwritten signature in black ink, appearing to read 'A Shaw', with a long, sweeping underline.

**A Shaw
Secretary**

10 November 2001

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

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Trustees and Auditors

As described on page 8 the company's trustees 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 trustees 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 charitable company's affairs at 31 August 2001 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
04 January 2002



Critchleys
Chartered Accountants
Registered Auditors

THE MULBERRY BUSH SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2001

	2001 Total £	Unrestricted Funds General Fund £	Restricted/Designated Funds Note 10 Development Fund £	Other Funds £	2000 Total £
Incoming Resources					
Income in respect of education and child care	2106579	2106579	-	-	1838240
Development grants, donations and fund raising events	433609	16069	417540	-	670304
Investment Income	11687	4728	6211	748	16080
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2551875	2127376	423751	748	2524624
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Resources Expended					
Direct Charitable Expenditure					
Education and Child Care					
Teaching and boarding expenses	1667079	1600473	-	66606	1614078
Property and administration expenses	475432	475432	-	-	432699
Other Expenditure					
Fund raising	45874	-	45874	-	40066
Cost of fund raising events	-	-	-	-	-
Management and Administration of the Charity	34892	34892	-	-	46249
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2223277	2110797	45874	66606	2133092
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Incoming Resources (Note 3)	328598	16579	377877	(65858)	391532
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transfers	-	-	-	-	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds for the Year	328598	16579	377877	(65858)	391532
Accumulated Funds brought forward	2616230	219315	2298688	98227	2224698
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Funds carried forward	2944828	235894	2676565	32369	2616230
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of Net Assets Between Funds					
Cumulative expenditure on tangible fixed assets	2966685	253565	2713120	-	2290446
Net Current Assets/(Liabilities)	(21857)	(17671)	(36555)	32369	325784
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2944828	235894	2676565	32369	2616230
	<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

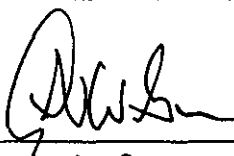
BALANCE SHEET

AT 31 AUGUST 2001

	Note	2001		2000	
		£	£	£	£
Fixed Assets					
Tangible Assets	2(c) & 5.		2966685		2290446
Current Assets					
Stock	6.		2250		2250
Debtors and Prepayments	7.		83593		38242
Cash at Bank and in Hand			224816		705949
			<hr/>		<hr/>
			310659		746441
			<hr/>		<hr/>
Current Liabilities					
Amounts falling due within one year:					
Creditors	8.		149292		125486
Income in Advance			183224		295171
			<hr/>		<hr/>
			332516		420657
			<hr/>		<hr/>
Net Current (Liabilities)/Assets			(21857)		325784
			<hr/>		<hr/>
Total Assets less Current Liabilities			2944828		2616230
			<hr/>		<hr/>
Financed by:					
Accumulated Funds (page 5)			2944828		2616230
			<hr/>		<hr/>

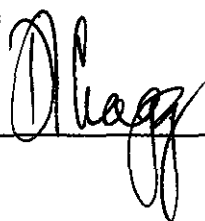
The accounts were approved by the Trustees on 10 November 2001.

G Wilson



Chair

D Craggs



Hon Treasurer

THE MULBERRY BUSH SCHOOL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2001

	Note	2001	2000
		£	£
Net Cash Inflow from Operating Activities	1.	196077	428016
Investing Activities			
Purchase of Tangible Fixed Assets		677210	476163
Decrease in Cash and Cash Equivalents	2.	(481133)	(48147)
Cash and Cash Equivalents at 1 September 2000		705949	754096
Cash and Cash Equivalents at 31 August 2001		224816	705949

NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of Net Incoming Resources to Net Cash Inflow from Operating Activities	2001		2000	
	£		£	
Net Incoming Resources	328598		391532	
Depreciation	971		1296	
(Decrease)/Increase in Creditors	(88141)		58921	
(Increase)/Decrease in Debtors	(45351)		(23733)	
	<hr/>		<hr/>	
	196077		428016	
	<hr/>		<hr/>	
2. Analysis of Changes in Cash and Cash Equivalents during the Year	2001		2000	
	£		£	
	2001		2000	
	£		£	
Cash at Bank and in Hand	224816	705949	(481133)	Change in Year
	<hr/>	<hr/>	<hr/>	£

THE MULBERRY BUSH SCHOOL LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2001****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 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 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 SORP, and applicable accounting standards.

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 view of this policy of regular maintenance, any depreciation charge would be immaterial. 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.

(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.

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

2. Accounting Policies (Continued)

(f) Management and Administration Expenditure

This comprises legal and audit costs together with 50% of office costs and a proportion of an administration salary.

(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	2001	2000
	£	£
This is stated after charging:		
Managers Emoluments	Nil	Nil
Depreciation	971	1728
Auditors' Remuneration	2650	2600
	<hr/>	<hr/>

4. Employees	2001	2000
	£	£
Costs:		
Salaries and Wages	1598859	1532923
National Insurance	135177	125596
Pension Costs - non-teaching staff	42514	40067
teaching staff	22532	22793
	<hr/>	<hr/>
	1799082	1721379
	<hr/>	<hr/>

These amounts include salaries of £144,554 (2000 : £108,299) for staff at the Tavistock Clinic which are recharged to the Clinic at cost.

During the year, £246 was reimbursed to five trustees in respect of travel and other incidental expenses. No trustee received any remuneration.

Three employees emoluments fall within the band of £40,000 - £50,000 for the year.

Average Number of Persons Employed	2001	2000
Teaching and Residential Care	63	57
Domestic	21	21
Administration	3	3
	<hr/>	<hr/>
	87	83
	<hr/>	<hr/>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

5. Tangible Fixed Assets

	Freehold Land and Buildings		Furniture and Equipment		Motor Vehicles	Total
	New Development £	Original £	New Development £	Original £	£	£
Cost:						
At 1 September 2000	1931664	231273	104246	19376	52518	2339077
Additions in year	644890	-	32320	-	-	677210
Amounts written off	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2001	2576554	231273	136566	19376	52518	3016287
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
At 1 September 2000	-	-	-	-	48631	48631
Charge for the year	-	-	-	-	971	971
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2001	-	-	-	-	49602	49602
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value:						
At 31 August 2001	2576554	231273	136566	19376	2916	2966685
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2000	1931664	231273	104246	19376	3887	2290446
	<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 2001

6. Stock	2001	2000
	£	£
Food	1500	1500
Oil	750	750
	<hr/>	<hr/>
	2250	2250
	<hr/>	<hr/>
 7. Debtors	 2001	 2000
	£	£
Amounts due in respect of fees outstanding	65115	23768
Prepayments	4987	4028
Other debtors	13491	10446
	<hr/>	<hr/>
	83593	38242
	<hr/>	<hr/>
 8. Creditors	 2001	 2000
	£	£
Operating Creditors	51881	23737
Other Taxation and Social Security	44572	39469
Other Creditors	12148	10630
Accruals and Deferred Income	40691	51650
	<hr/>	<hr/>
	149292	125486
	<hr/>	<hr/>

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

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.

An analysis of the other restricted/designated funds is:

	2001 Total £	Repair Fund £	Diaspora Fund £	Family Care Team Fund £
Income				
Donations and Fund Raising Events	-	-	-	-
Investment Income	748	748	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	748	748	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Teaching and Boarding	66606	-	354	66252
Other Expenditure	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue Expenditure	66606	-	354	66252
	<hr/>	<hr/>	<hr/>	<hr/>
(Deficit)/Surplus of Income over Expenditure	(65858)	748	(354)	(66252)
Transfer	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Retained in the year for future use	(65858)	748	(354)	(66252)
Brought forward	98227	29840	2135	-
	<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	32369	30588	1781	-
	<hr/>	<hr/>	<hr/>	<hr/>

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

The Diaspora fund was set up to provide support to former pupils.

The Family Care Fund is credited with donations intended to fund work with families of pupils at the school. The source of funding has now ceased and in future these costs will be borne by the General Fund.

THE MULBERRY BUSH SCHOOL LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

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 trustees ensure that there are sufficient funds or other finance facilities available to complete each phase of the development programme. As at 31 August 2001, there was approximately £72,700 in respect of committed costs not yet incurred.