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REGISTRAR OF COMPANIES

GREAT WALSTEAD LIMITED

Financial Statements - 31 July 1986

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COMPANIES REGISTRATION

27 MAY 1987

17 OFFICE

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GREAT WALSTEAD LIMITED

Financial Statements - 31 July 1986

DIRECTORS:

J.T. Lawson
P.C.J. Nicoll
J.K. Carson
A.H.P. Beater
J.K. Ind
W.R. Lindsay-Stewart
A.S. Taylor
R.J.B. Eddison
Mrs. Z.M. Campling
D.S. Thomson
A. Perry
Mrs. S.E. Crichton

SECRETARY:

Lt. Col. J.K. Carson, Retd.

REGISTERED OFFICE:

"Lyons",
East Street,
Tonbridge,
Kent,
TN9 1HL

AUDITORS:

Neville Russell,
37 Frederick Place,
Brighton,
BN1 4EA

GREAT WALSTEAD LIMITED

Report of the Directors

The directors present their report and the financial statements for the year ended 31 July 1986.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company continued to be providing educational facilities for children.

The level of business for the year was considered satisfactory, but the year end financial position was not acceptable. This position was caused by extraordinary circumstances, and whilst full provision has been made for financial losses identified to date, the directors are actively pursuing methods of improving the position which they expect to be successful.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31 July 1986 are set out in the financial statements on pages 5 to 13. The loss for the year has been set against the retained profits brought forward.

FIXED ASSETS

Details of changes in fixed assets are given in note 6 to the financial statements.

DIRECTORS

The following directors have served the company during the whole of the year:

J.T. Lawson
P.C.J. Nicoll
J.K. Carson
A.H.P. Beater
J.K. Ind
W.R. Lindsay-Stewart
A.S. Taylor
R.J.B. Eddison
Mrs. Z.M. Campling
D.S. Thomson
A. Perry

Messrs. A.H.P. Beater, J.K. Ind and Mrs. Z.M. Campling retire from the board and, being eligible, offer themselves for re-election under paragraph 42 of the articles of association.

Under article 47, Mrs. S.E. Crichton, who was elected to the board on 7 June 1986, seeks re-election.

Messrs. R.J.B. Eddison, D.S. Thomson and J.K. Carson, who have attained the age of 70 years, seek re-election to the board under paragraph 39 of the articles of association.

GREAT WALSTEAD LIMITED

Report of the Directors (continued)

TAXATION

The company holds charitable status and is therefore exempt from taxation charges.

AUDITORS

The auditors, Neville Russell, having been appointed to fill a casual vacancy, have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

BY ORDER OF THE BOARD

J. Kingsford Carson

Lt. Col. J.K. Carson
Secretary

"Lyons",
East Street,
Tonbridge,
Kent,
TN9 1HL

13 April 1987

GREAT WALSTEAD LIMITED

Report of the Auditors to the Members of the Company

We have audited the financial statements on pages 5 to 13 in accordance with approved Auditing Standards, except that the scope of our work was limited by the matters referred to below.

As stated in note 4, certain accounting records were destroyed in the year. The financial statements consequently include significant amounts based on estimates made by school officials. In these circumstances, we were unable to carry out all the auditing procedures or to obtain all the information and explanations we considered necessary.

We were not appointed auditors until after the year end and in consequence did not report on the financial statements for the year ended 31 July 1985. It was therefore not possible for us to carry out the auditing procedures necessary to obtain our own assurances as regards the balance sheet at that date. Any adjustments to these figures may have a consequential effect on the loss for the year ended 31 July 1986.

Because of the significance of the matters referred to in the preceding paragraphs, we are unable to form an opinion as to (i) whether the financial statements give a true and fair view of the state of the company's affairs as at 31 July 1986 and of its loss for the year then ended, (ii) whether proper accounting records have been kept, and (iii) whether the financial statements comply in all respects with the Companies Act 1985.

NEVILLE RUSSELL
Chartered Accountants

37 Frederick Place,
Brighton,
BN1 4EA

13 April 1987

GREAT WALSTEAD LIMITED

Profit and Loss Account For the Year Ended 31 July 1986

	<u>Notes</u>	£	<u>1986</u> £	£	<u>1985</u> £
TURNOVER	2		817,690		774,004
OTHER INCOME			<u>17,761</u>		<u>16,973</u>
			835,451		790,977
Provisions and consumables		(75,600)		(112,151)	
Other external charges		(149,625)		(199,320)	
Staff costs	5	(443,990)		(379,628)	
Depreciation		<u>(13,168)</u>		<u>(5,510)</u>	
			(682,383)		(696,609)
OPERATING PROFIT			153,068		94,368
Interest payable and similar charges			<u>(28,948)</u>		<u>(3,156)</u>
PROFIT ON ORDINARY ACTIVITIES	3		124,120		91,212
EXTRAORDINARY ITEM	4		<u>(149,424)</u>		<u>-</u>
(LOSS) PROFIT AFTER EXTRAORDINARY ITEM			(25,304)		91,212
Retained profits at 1 August 1985			<u>749,179</u>		<u>657,967</u>
RETAINED PROFITS AT 31 JULY 1986			<u>£723,875</u>		<u>£749,179</u>

GREAT WALSTEAD LIMITED

Balance Sheet at 31 July 1986

	Notes	£	1986 £	£	1985 £
TANGIBLE FIXED ASSETS	6		3,260,651		3,148,140
INVESTMENTS	7		100		100
CURRENT ASSETS					
Debtors	8	46,367		51,313	
Cash at bank and in hand		<u>14,848</u>		<u>586</u>	
		61,215		51,899	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(397,231)		(265,313)	
NET CURRENT LIABILITIES			(336,016)		(213,474)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,924,735</u>		<u>2,934,766</u>
NET ASSETS			<u>£2,924,735</u>		<u>£2,934,766</u>
CAPITAL AND RESERVES					
Capital reserve	10		2,131,457		2,131,457
Profit and loss account			723,875		749,179
Appeal fund	11		69,303		54,030
Willmot fund	12		<u>100</u>		<u>100</u>
			<u>£2,924,735</u>		<u>£2,934,766</u>

Approved by the board on 13 April 1987, and signed on its behalf.

J.T. LAWSON)

Directors

J.K. CARSON)

1 Kingsford Lawson.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1986

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention. The directors have received assurances from the company's bank that continuing finance will be made available to them to meet their expected requirements, and therefore consider that the going concern basis is appropriate.

(b) Turnover

Turnover represents the amounts invoiced in respect of the provision of educational and related services for children. Such services are exempt from value added tax.

(c) Appeal income

Appeal income is accounted for on a cash basis, and is credited direct to reserves, the amount credited being disclosed separately in the notes to the financial statements.

(d) Depreciation

Depreciation is calculated to write off the cost of fixed assets on the following bases:

Freehold buildings	- nil
Plant and equipment	- straight line at 10%
Motor vehicles	- straight line at 20%

(e) Leasing

Amounts payable under operating leases are written off against the profit and loss account in the year in which payments fall due.

(f) Stocks

All stocks are written off in the year of purchase.

(g) Statement of source and application of funds

No statement of source and application of funds has been prepared since the directors consider that it would be misleading in the exceptional circumstances of this year.

(h) Group financial statements

Group financial statements are not prepared because the directors do not consider that the benefit justifies the time and cost involved.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1986

2. TURNOVER

The turnover and profit before extraordinary item are attributable to the principal activity, the provision of educational facilities for children.

The whole of the turnover is to the UK market.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1986</u> £	<u>1985</u> £
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	13,168	5,510
Auditors' remuneration	4,500	4,500
Emoluments of directors	Nil	Nil
Bank overdraft interest	28,948	3,156
Amounts payable under operating leases	5,362	764
	<u> </u>	<u> </u>

Because the company is a charity, no directors' remuneration is charged.

4. EXTRAORDINARY ITEM

During the year certain accounting records relating to expenditure were destroyed. It is therefore not possible to analyse this expenditure, although an examination of the remaining records suggested that significant expenditure incurred by the school which had previously been written off, may now be recoverable. Because of the uncertainty regarding the amount recoverable, no adjustment has been made to prior years' results, and all such expenditure incurred during this year has been treated as extraordinary because of its likely incidence and non recurring nature.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1986

5. STAFF COSTS

	<u>1986</u> £	<u>1985</u> £
Wages and salaries, including social security costs	417,269	
Other pension costs	<u>26,721</u>	
	<u>£443,990</u>	<u>£379,628</u>

This analysis is not available for 1985.

The average number of persons employed
by the company during the year was as
follows:

	Number	Number
Administration	3	3
Teaching	33	33
Ancillary staff	<u>27</u>	<u>27</u>
 TOTAL EMPLOYEES	 63 <u> </u>	 63 <u> </u>

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1986

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, Fixtures, fittings and equipment £	Transport and equipment £	Total £
COST OR VALUATION				
At 1 August 1985	3,108,139	45,137	32,303	3,185,579
Additions	<u>103,752</u>	<u>21,927</u>	<u>-</u>	<u>125,679</u>
At 31 July 1986	<u>£3,211,891</u>	<u>£67,064</u>	<u>£32,303</u>	<u>£3,311,258</u>
ACCUMULATED DEPRECIATION				
At 1 August 1985	-	21,136	16,303	37,439
Charge for the year	<u>-</u>	<u>6,707</u>	<u>6,461</u>	<u>13,168</u>
At 31 July 1986	<u>-</u>	<u>£27,843</u>	<u>£22,764</u>	<u>£50,607</u>
NET BOOK VALUES				
At 31 July 1986	<u>£3,211,891</u>	<u>£39,221</u>	<u>£9,539</u>	<u>£3,260,651</u>
At 31 July 1985	<u>£3,108,139</u>	<u>£24,001</u>	<u>£16,000</u>	<u>£3,148,140</u>

Only the freehold land and buildings have been subject to a revaluation, which was performed in 1981.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1986

7. INVESTMENTS

These comprise 3 1/2% War Loan stock valued at £99, and £1 residual value relating to shares in Walstead Estates Limited, an estate management company registered in Great Britain, which is a wholly-owned subsidiary.

8. DEBTORS

	<u>1986</u> £	<u>1985</u> £
DUE WITHIN ONE YEAR		
Trade debtors	13,200	10,954
Walstead Estates Limited	10,006	8,385
Prepayments and other debtors	13,161	31,974
Staff loan	<u>10,000</u>	<u>-</u>
	£46,367	£51,313
	<u><u> </u></u>	<u><u> </u></u>

9. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1986</u> £	<u>1985</u> £
Bank overdraft	309,369	199,110
Trade creditors	37,329	49,774
Advance income	5,979	16,489
Other taxation and social security costs	17,980	-
Staff loan	5,000	-
Pension costs	10,349	-
Accrued interest	4,100	-
Accrued audit fee	4,500	-
Accrued light, heat, and power	<u>2,625</u>	<u>-</u>
	£397,231	£265,373
	<u><u> </u></u>	<u><u> </u></u>

The bank overdraft is secured by a mortgage of £250,000.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1986

10. CAPITAL RESERVE

This reserve arose on the revaluation of freehold land and buildings in 1981.

11. APPEAL FUND

The appeal fund represents the total accumulation of funds generated by the school by special appeals, and comprises:

	<u>General Appeal</u> £	<u>Jubilee Appeal</u> £	<u>Total</u> £
Balance at 1 August 1985	54,030	-	54,030
Received in the year	<u>525</u>	<u>14,748</u>	<u>15,273</u>
Balance at 31 July 1986	<u>£54,555</u>	<u>£14,748</u>	<u>£69,303</u>

12. WILMOT FUND

This fund generates annual investment income of £8 which is spent in purchasing a scripture prize. These items are included in the profit and loss account.

13. PENSION COMMITMENTS

The company is a member of the contributory pension scheme operated by the Department of Education and Science. It has a separate commitment of approximately £1,000 per annum in respect of a retired member of staff. The company's contributions in respect of both these schemes are charged to the profit and loss account in the year in which they fall due, and are disclosed in note 5.

14. SHARE CAPITAL

The company is limited by guarantee and therefore has no share capital.

GREAT WALSTEAD LIMITED

Notes to the Financial Statements
For the Year Ended 31 July 1986

15. POST BALANCE SHEET EVENT

The expenditure contributing to the extraordinary item in note 4 continued for a period after the year end. No provision has been made for this subsequent expenditure since the directors consider it to be fully recoverable.