

ECOLE FRANCAISE DE LONDRES LIMITED

Report and Financial Statements

For the year ended 31 December 2004

Company registration number: 1138995
Charity number: 274145



ECOLE FRANCAISE DE LONDRES LIMITED

Contents	Page
Legal and administrative information	2
Report of the Directors and Trustees	3
Report of the Auditors	7
Statement of financial activities	8
Balance sheet	9
Notes forming part of the financial statements	10

ECOLE FRANCAISE DE LONDRES LIMITED

Legal and administrative information

Directors and trustees:

C.Kinsky, Chairman
D.Faure
A.Nauphal
A.Nauphal
C.Goodfellow
Mrs S.Destribats (Resigned 18.10.04)
Mrs C.de Buchet (Resigned 14.06.04)
Mrs F.Tustain
P. Coutin
O. Van Eyseren (Appointed 6.12.04)
D. Pajaczkowski (Appointed 6.12.04)
S.Farrant (Appointed 6.12.04)
D.Cribier (Appointed 6.12.04)
Mrs I. Dubois (Appointed 6.12.04)

Company secretary:

Mrs M.A.Lucas

School headmaster:

R.Salva

Registered office:

59, Brook Green
Hammersmith
London W6 7BE

Auditors:

George F.Y. Lew & Co
Chartered Accountants
78, Westway
London SW20 9LS

Bankers:

HSBC PLC
92, Kensington High Street
London W8 4SH

Company registration number:

1138995

Charity number:

274145

ECOLE FRANCAISE DE LONDRES LIMITED

Report of the directors and trustees for the year ended 31 December 2004

Status and incorporation

The company was incorporated on 11 October 1973 and is limited by guarantee. It was registered with the Charity Commissioners in August 1977.

Directors and trustees

The directors also act as trustees of the charitable company. Those who served during the year are shown on page 2.

Charitable objects

The objects of the company are to establish, maintain and conduct in London and elsewhere in the United Kingdom schools for the general primary and secondary education of children, whether of French nationality or otherwise, based on the French national curriculum.

Board policy

The company provides a French primary education at Brook Green, Hammersmith, London, to boys and girls from the ages of 4 to 11 years, taught in 11 classes. It has limited its total intake to 250 children in those age groups. The limitation in the size of the school has enabled the school to have a good relationship with pupils and parents alike and provide a good family atmosphere at the school.

Management and running of the school

In keeping with the majority of French schools abroad, Ecole Francaise de Londres Limited is a private not for profit company, governed by local legislation. The members of the board of directors are all parent volunteers and take responsibility for the management of the school. The school is linked by an agreement with the French Educational Authority (l'Agence pour l'Enseignement Francais a l'Etranger – "AEFE") which appoints the headmaster. AEFE pays his salary and related costs and the salaries of ten expatriate teachers who teach at the school. 37 % of AEFE's costs of employing the ten teachers is recharged to the school. Discretionary scholarships are available through the French consulate to eligible French children.

Report of the directors and trustees for the year ended 31 December 2004 (continued)

The teaching staff and the headmaster hold French teaching qualifications. The English teachers employed by the school have British diplomas.

School life is structured according to the curriculum applicable to French state schools, with some minor modifications. The teaching staff regularly attend training sessions to keep in touch with changes in teaching methods and syllabi. These are organised by the Inspector of French Education in London. A secretary and an accountant share with the headmaster the duties of management and administration. The canteen is sub-contracted to an outside catering firm.

Review of activities and achievements

In order to compensate for the lack of a French cultural environment, the French teachers have set up an ongoing communication project centred on the use of written and spoken language. This project maximises the potential of the "Bibliothèque Centre de Documentation – BCD " and the school's Information Technology facilities: a network of computers set in classroom and libraries, connected to the Internet. A full-time teacher/librarian ensures that those facilities are used to their maximum by all the staff and pupils.

Priority is given to the teaching of the French curriculum. However, from reception classes upwards, qualified staff teach the English language and civilisation. Pupils can borrow books and albums from the onsite English library.

Physical activities are given prominence at the school. The younger children use the school's activity room to practice gymnastics, whereas the older pupils use the facilities of a nearby gymnasium once or twice a week, accompanied by their class teacher. All pupils attend weekly swimming lessons at various pools according to their age. They walk or travel by coach and are taught by qualified British instructors. School trips are organised at the teachers' discretion and some are sport orientated. Security measures are strictly adhered to, as stipulated by British regulations and the French Ministry for National Education.

ECOLE FRANCAISE DE LONDRES LIMITED

Report of the directors and trustees for the year ended 31 December 2004 (continued)

At the beginning of the academic year, the teachers hold an information meeting for parents. They explain the curriculum and answer questions they may have. By prior arrangement, parents are given the opportunity of meeting their child's teacher on a one-to-one basis. Parents are also encouraged to accompany pupils on school outings (museums, exhibitions and parks) and to help in the day to day running of the library facilities.

At the end of each term, parents are sent a school report detailing their child's performance.

Financial activities and results

The total incoming resources for the year amounted to £ 816,750 (2003 - £ 771,508). The total resources expended amounted to £ 808,846 (2003 - £ 769,725). The method of financing the school by AEFÉ changed last year. Instead of paying a cash grant direct to the school, that Authority now pays the salaries of 10 expatriate French teachers and the School is recharged only 37% of the total costs. The amount borne by AEFÉ in this respect during the year ended 31 December 2004 amounted to £ 131,123 (2003 - £ 121,790).

The net incoming resources for the year amounted to £ 7,904 (2003 - £ 1,783).

Total funds at 31 December 2004 increased to £ 416,883 compared to £ 408,979 in 2003.

Auditors

The Directors and the Trustees have elected to dispense with the appointment of auditors annually in accordance with section 379A(1) of the Companies Act 1985. Therefore the auditors Messrs George F.Y.Lew & Co, Chartered Accountants, are deemed to be re-appointed.

Statement of Directors' and Trustees' responsibilities

Company law requires the Directors and 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 company and of the profit or loss for that period.

Report of the directors and trustees for the year ended 31 December 2004 (continued)

In preparing those financial statements, the Directors and Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

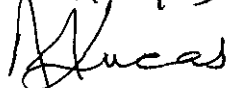
The Directors and Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding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

Approved by the Board on 11 April 2005 and signed on its behalf by:

Mrs M.A.Lucas

Company secretary

Date: 27/05/05



ECOLE FRANCAISE DE LONDRES LIMITED

Report of the Auditors to the Directors and Trustees of Ecole Francaise de Londres Limited for the year ended 31 December 2004

We have audited the financial statements on pages 8 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on pages 5 and 6, the directors (who also act as trustees for the charitable activities of Ecole Francaise de Londres Limited) are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practises Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 as to whether the financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 December 2004 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.



George F.Y.Lew & Co
Chartered Accountants
Date: 10.06.2005.

ECOLE FRANCAISE DE LONDRES LIMITED

Statement of Financial Activities for the year ended 31 December 2004

	Notes	Unrestricted Funds 2004 £	Unrestricted Funds 2003 £
INCOMING RESOURCES			
Charitable activities			
School fees		797,264	755,209
Other income		10,087	10,324
Teaching grants received		-	-
Exceptional grant (re- new building)		-	-
Donations received		4,696	1,780
Investment income	2	4,703	4,195
Total income resources		816,750	771,508
RESOURCES EXPENDED			
Charitable expenditure			
Teaching costs		419,441	391,560
Catering costs		102,576	103,513
Premises costs		70,691	71,771
Management and administration expenses	3	145,822	139,381
School activities costs		70,316	63,500
Total resources expended		808,846	769,725
NET INCOMING RESOURCES	4	7,904	1,783
NET MOVEMENT IN FUNDS		7,904	1,783
Fund balances at 1 January 2004		408,979	407,196
FUND BALANCES AT 31 DECEMBER 2004	12	416,883	408,979

All above amounts are derived from continuing activities.

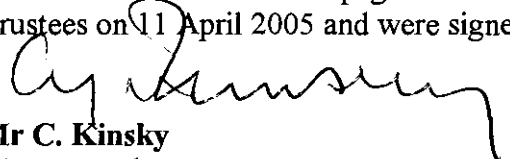
All gains and losses recognised in the year are included in the Statement of Financial Activities.

ECOLE FRANCAISE DE LONDRES LIMITED

Balance Sheet as at 31 December 2004

	Notes	2004 £	2004 £	2003 £	2003 £
FIXED ASSETS					
Tangible assets	7	602,495		595,724	
Investment	8	172,600		172,600	
			775,095		768,324
CURRENT ASSETS					
Debtors	9	178,014		152,229	
Cash at bank and in hand		214,091		197,381	
		392,105		349,610	
CREDITORS: due within one year	10	666,367		624,655	
NET CURRENT ASSETS (LIABILITIES)			(274,262)		(275,045)
TOTAL ASSETS LESS CURRENT LIABILITIES			500,833		493,279
CREDITORS: due after more than one year	11		(83,950)		(84,300)
NET ASSETS			416,883		408,979
INCOME FUNDS	12		416,883		408,979
TOTAL FUNDS			416,883		408,979

The financial statements on pages 8 to 17 were approved by the Board of Directors and Trustees on 11 April 2005 and were signed on its behalf by:


Mr C. Kinsky
 Director and trustee

Notes forming part of the financial statements for the year ended 31 December 2004

1. Principal accounting policies

The principal accounting policies of the company are set out below:

(a) Accounting convention

The financial statements of the charitable company are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities " and with applicable accounting standards.

(b) Exemptions applied

As the company and its subsidiary qualifies as a small group, it is not required to prepare consolidated financial statements under Companies Act 1985 or a cash flow statement under the Financial Reporting Standard (FRS 1).

(c) Fees income

Fees receivable are accounted for in the period to which they are related.

(d) Donations

Donations are accounted for in the period in which they are received.

(e) Resources expended

Resources expended are accounted for on an accruals basis, inclusive of value added tax which is not recoverable by the charitable company.

(f) Operating leases

Rentals payable on operating leases are charged on a time basis over the period of the lease term.

1. Principal accounting policies (continued)

(g) School buildings and equipment

Capitalisation

School buildings and equipment are stated at historical cost. Building improvements subsequent to the acquisition are capitalised and carried in the balance sheet at historical cost.

Depreciation

Depreciation is provided to write off the cost less estimated residual value of all fixed assets (except freehold buildings) on a straight line basis over their expected useful economic lives of each class of assets.

The rates used are as follows:

Freehold property	Nil
Freehold flat	Nil
Building improvements	2 years
Office and school equipment	3 to 5 years
Computer software	3 years
Fixtures and fittings	5 years

(h) Fixed asset investment

Fixed asset investment is stated at cost.

(i) Staff holiday pay

A provision for staff holiday pay is made at the year end based on an average month's pay due.

(j) Foreign currencies conversion

Transactions denominated in foreign currencies are recorded in £ Sterling at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange at that date. Any gain or loss arising is taken to the Statement of Financial activities.

ECOLE FRANCAISE DE LONDRES LIMITED

2. Investment income

	2004	2003
	£	£
Bank interest receivable	4,703	4,195
	<hr/>	<hr/>

3. Management and administration expenses

	2004	2003
	£	£
Personnel costs	104,861	97,890
Administration expenses	24,504	19,509
Depreciation	8,757	15,239
Legal and professional	6,191	6,000
Financial expenses	1,509	743
	<hr/>	<hr/>
	145,822	139,381
	<hr/>	<hr/>

4. Net incoming resources

Net incoming resources are stated after charging:

	2004	2003
	£	£
Auditors' remuneration	6,191	6,000
Staff costs (refer to note 5 below)	524,302	489,450
Depreciation	8,757	15,239
	<hr/>	<hr/>

ECOLE FRANCAISE DE LONDRES LIMITED

5. Staff costs

	2004	2003
	£	£
Wages and salaries (including amount recharged by AEFÉ)	491,560	459,250
Social security costs	31,143	27,670
Other staff costs	1,599	2,530
	<u>524,302</u>	<u>489,450</u>

Wages and salaries in the year included only 37 % of the salaries of the ten expatriate French staff paid by the school to the AEFÉ. The cost borne by that Authority during the year amounted to £ 131,123 (2003- £ 121,790).

None of the directors received any remuneration during the year under review (2003-None).

There was no employee paid in excess of £ 40,000 during the year under review (2003-None).

The average number of employees (including staff seconded from AEFÉ) in the year was:

	2004	2003
	Number	Number
Teaching staff	17	17
Administrative staff	4	4
	<u>21</u>	<u>21</u>

6. Taxation

The charitable company is exempt from U.K. corporation tax in accordance with section 360 (1c) of the Income and Corporation Tax Act 1970.

ECOLE FRANCAISE DE LONDRES LIMITED

7. Tangible fixed assets

	Freehold Property	Freehold Flat	Building Improvements	Office and school equipment	Computer software	Fixtures and fittings	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2004	539,631	53,246	444,447	109,900	4,175	8,249	1,159,648
Additions	-	-	-	15,529	-	-	15,529
Assets scrapped	-	-	-	-	-	-	-
At 31 December 2004	539,631	53,246	444,447	125,429	4,175	8,249	1,175,177
Depreciation							
At 1 January 2004	-	9,089	444,447	98,903	3,236	8,249	563,924
Charge for the year	-	-	-	8,066	692	-	8,758
Elimination on scrap	-	-	-	-	-	-	-
At 31 December 2004	-	9,089	444,447	106,969	3,928	8,249	572,682
Net book values							
At 31 December 2004	539,631	44,157	-	18,460	247	-	602,495
At 31 December 2003	539,631	44,157	-	10,997	939	-	595,724

8. Fixed assets investment

	Subsidiary company £
Shares at cost	
At 31 December 2004 and 2003	172,600

The charity company owns the whole of the ordinary share capital, consisting of 217 ordinary shares of £1,000 each, of F.I. French Investments Limited, a company incorporated in the United Kingdom. The latter did not have any business activity during the year under review and is now dormant.

ECOLE FRANCAISE DE LONDRES LIMITED

8. Fixed assets investment (continued)

The assets and liabilities of F.I. French Investments were as follows:

	31 December 2004	31 December 2003
	£	£
Current assets	251,600	251,600
Represented by:		
Share capital	217,000	217,000
Profit and loss account	34,600	34,600
	<u>251,600</u>	<u>251,600</u>

9. Debtors: due within one year

	2004	2003
	£	£
Trade debtors	169,589	146,417
Other debtors	1,880	264
Prepayments and accrued income	6,545	5,548
	<u>178,014</u>	<u>152,229</u>

ECOLE FRANCAISE DE LONDRES LIMITED

10. Creditors: due within one year

	2004	2003
	£	£
Bank loan	-	8,000
Amount due to the AEFÉ	41,544	38,878
Trade creditors	27,493	8,390
Amount due to subsidiary company	251,600	251,600
Income tax and social security	5,450	5,592
Other creditors	-	-
Accruals and deferred income	340,280	312,195
	<u>666,367</u>	<u>624,655</u>

11. Creditors: due after more than one year

	2004	2003
	£	£
Bank loan	-	-
School deposits refundable	83,950	84,300
	<u>83,950</u>	<u>84,300</u>

12. Income funds

	2004	2003
	£	£
Balance as at 1 January 2004	408,979	407,196
Net incoming resources for the year	7,904	1,783
Balance as at 31 December 2004	<u>416,883</u>	<u>408,979</u>

ECOLE FRANCAISE DE LONDRES LIMITED

12. Income funds (continued)

The income funds consisted of:

	2004	2003
	£	£
Unrestricted funds	337,883	329,979
Restricted funds	79,000	79,000
	<u>416,883</u>	<u>408,979</u>

The restricted funds relate to the excess of the assets in the subsidiary company over the cost of the investment made by charitable company.

13. Capital commitment

At 31 December 2004, the charitable company did not have any capital expenditure contracted for but not provided for in the financial statements (2003- None).

14. Operating lease commitment

At 31 December 2004, the charitable company had the following annual commitment under non-cancellable operating lease:

	Other operating lease 2004 £	Other operating lease 2003 £
Operating lease which expires:		
Within one year	-	-
Within 2 to 5 years	6,187	4,583
	<u> </u>	<u> </u>