

COMPANY NO. 2829156

MANOR LODGE SCHOOL

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2012

SATURDAY



A2498HO6

A10

16/03/2013

#295

COMPANIES HOUSE

MANOR LODGE SCHOOL
A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2012

CONTENTS	PAGE
Report of the Directors	1 - 6
Report of the Independent Auditors	7 - 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12 - 13
Notes to the Financial Statements	14 - 21

The following pages do not form part of the Financial Statements

Detailed Income and Expenditure Account	22 - 23
---	---------

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The Board of Directors present their annual report for the year ended 31 August 2012 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (The Charities SORP 2005) as issued in its revised form by the Charity Commission on 4 March 2005

REFERENCE AND ADMINISTRATIVE INFORMATION

Manor Lodge School Limited (the Company) was incorporated as a company on 22 June 1993 and commenced activities on 19 November 1993. The Company changed its name from Forestpost Limited to Manor Lodge School Limited on 4 May 1995, and arranged pursuant to Section 60(1) (a) of the Companies Act 2006 to have the word "Limited" omitted from the Company name. The School registered as a Charity with the Charity Commissioners on 25 August 1995, number 1048874.

The Registered Office and principal address of the Company is at Manor Lodge School, Rectory Lane, Ridge Hill, Shenley, Radlett, Hertfordshire WD7 9BG. Its registered company number is 2829156.

Directors

The Directors of the Company, who are also the Governors of the School and the Charity Trustees, and who served on the Board of Directors during the year were

A Phipps #	(Chairman)	Mrs R Adams *	
D Arnold # @		M Brahams #	(retired 15 3 2012)
M Cherry #		Mrs L Crighton *	(appointed 18 5 2012)
Mrs H Gunasekera *	(appointed 15 3 2012)	J Harris #	(appointed 18 11 2011)
M Higham *		D Swanson *	(appointed 15 3 2012)
S Wilson *			

Member of Finance and General Purposes Committee

@ Member of Health and Safety Committee

* Member of Education Committee

Key Executives and professional advisors

The Head	G Dunn Cert Ed
Deputy Head	Mrs A Lobo BEd (Hons)
The Bursar, Company Secretary & Clerk to the Governors	Miss A Bright BSc (Hons), CMgr MCMI
Bankers	Barclays Bank plc, 22-24 Upper Marlborough Road, St Albans AL1 3AL National Westminster Bank plc, 2 nd Floor Building 1, Centrium, Griffiths Way, St Albans, AL1 2RD
Solicitors	Debenhams Ottaway, Ivy House, 107 St Peter's Street, St Albans, Hertfordshire AL1 3EW Boyes Sutton & Perry, 20 Wood Street, Barnet, Hertfordshire, EN5 4BJ
Auditors	Knight Wheeler Limited, Statutory Auditor, Chartered Accountants, 54 Sun Street, Waltham Abbey, Essex EN9 1EJ
Insurance Brokers	Marsh Limited, Education Practice, Capital House, 1-5 Perry Mount Road, Haywards Heath, West Sussex RH16 3SY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, originally drawn up on 1 June 1993 and last amended on 14 March 2002

Governing Body

The Governors, who are also required under the Articles to serve as Directors of the Company and Trustees of the Charity, are elected at a full general meeting

Governors are appointed for a term of three years. They can be re-elected

Induction, Recruitment and Training of Directors

New Governors are inducted into the workings of the Charitable company as a school and also as a registered charity, including its Board Policy and Procedures

Potential Governors are identified by recommendation from existing Governors or from the Head. They are considered by the Board on the basis of professional or business experience, specialist skills and personal competence

New Governors are inducted into the workings of the company as a school and also as a registered charity, including its Board Policy and Procedures. All Governors receive a copy of the AGBIS publication 'Guidelines for Governors' as well as a comprehensive Governors Manual which highlights their legal responsibilities. Further information is provided by the Chair of Governors, Head and Bursar, as necessary

Training opportunities are regularly publicised to and taken up by the Governors

Organisational structure

The Governors meet as a Board at least once a term to determine the general policy of the Company and to review its overall management and control, for which they are legally responsible. The implementation of most of the Board's policies is carried out by the Finance and General Purposes Committee (chaired by Mr A Phipps) and the Education Committee (chaired by Mr M Higham). These Committees meet at least once a term, prior to the full Governors' Meeting, to review the budget, monthly management accounts, annual report and accounts and all other relevant matters. The Health and Safety Committee (chaired by Mr D Arnold) reviews the School's work and leisure practices and monitors Risk Assessments

The day to day management of the School is delegated to the Head and the Bursar, supported by other members of the senior management team

Relationships with connected parties and affiliated bodies

The School is a member of the Independent Association of Prep Schools (IAPS), the professional association for Heads and Deputy Heads of the leading 600 independent prep schools in the UK and worldwide. Teaching members of the senior management team regularly attend discussion forums with their peers from other preparatory schools in the area in order to enhance the quality and scope of the lessons given within the School

The School is also a member of the Association of Governing Bodies of Independent Schools (AGBIS), which provides governance advice, and the Independent Schools' Bursars Association (ISBA), which promotes the efficient and effective management of the non-academic aspects of independent schools

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The School regularly raises funds and goods through collections at Harvest Festival assemblies, House Cake sales and Christmas appeals to support a number of local charities including the local RSPCA sanctuary, a local Hospice, a local Family Centre and a major charity chosen each academic year

The School makes its premises and facilities available to local organisations. The School also gives local state schools free tickets to its annual Year 6 production

The School has registered as an Eco-School, and has become part of an international group of schools working towards education for sustainable development and a better quality of life for local and global communities. The Eco-School scheme provides a framework to enable analysis of operations and assists the School to become a more sustainable community. By following this programme the School will become a more stimulating place in which to learn, whilst reducing the environmental impact on the community. The children's involvement is the key part of the programme and to this end they have been involved right from the start in activities such as producing ideas for projects, recycling, reducing and re-using waste, decision making, monitoring and action planning. The School was awarded the Eco-Schools Green Flag award in March 2011.

Risk Management

The Board of Directors continues to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated.

OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Objects of the Company, in accordance with its Memorandum of Association, are to advance education in particular by establishing and carrying on in Great Britain (and any other countries) schools at or by means of which students may obtain education and instruction in all subjects whatsoever that may be included in a commercial, technical, scientific, classical or academic education, or may be conducive to knowledge of or skill in any trade, pursuant or calling. In the furtherance of these objects the Directors, as the Charity Trustees, have complied with the duty in s 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Principal Activity

The principal activity of the School continues to be the provision of education for children aged between 3 and 11. The School is set in an attractive 10 acre site within easy reach of the M25, St Albans, Potters Bar and Cuffley, Radlett, Elstree, Stanmore and Edgware, and most other parts of north-west London.

School Aims

The Board is responsible for setting a strategy for achieving the School's objectives. As a charitable independent school, the strategic aim is the attainment of the highest academic levels. The School's aim is to draw out pupils' abilities and academic potential, to assist them to develop wider interests in life and to motivate them for a successful outcome at their chosen senior school. The School's bursary and admissions policies enable wide access to this education and the facilities by helping lower income or otherwise disadvantaged families to benefit if they cannot afford the School's standard fees.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The School's specific aims are

- 1 To provide excellent teaching and learning opportunities within a caring environment in which high standards of behaviour and good manners are encouraged and expected
- 2 To ensure that all pupils achieve their full potential and are prepared for entry to the secondary school of their choice, appropriate to their potential
- 3 To develop and deliver a broad and balanced curriculum enhancing as far as possible the standards set by the National Curriculum
- 4 To encourage tolerance of different cultures and to encourage moral and spiritual development through an awareness of the needs of the wider world
- 5 To encourage and nurture a wide range of extra-curricular activities, including Sports, Music and the Arts
- 6 To encourage communication with a friendly family atmosphere, thereby creating an effective partnership between staff, parents and children to promote the development of the School
- 7 To maintain the School as a recognised centre of excellent teaching in the wider community
- 8 To foster staff development, confidence, support and enthusiasm through a variety of relevant opportunities

We are committed to safeguarding and promoting the welfare of our pupils and expect all staff and volunteers to share this commitment

Objectives and strategies for the year

The Board's main objective continues to be the promotion of high academic standards combined with financial prudence. The strategy for achieving this is to maintain good teacher-to-pupil ratios and to provide the resources deemed necessary by the Head, senior management team and Education Committee

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

The number of children attending the School was slightly above budget, with 384 pupils on roll in the main School at the academic year end and 26 in the Nursery. There was a substantial waiting list for most year groups. Academic results were again extremely good, with many Year 6 children gaining scholarships for both academic and musical prowess. All Year 6 pupils moved forward to the secondary schools of their choice, both independent and state schools.

These achievements were greatly assisted by the high quality teaching staff we have been able to retain and recruit in the face of intense competition for this increasingly scarce resource from other schools in the locality.

The School was inspected by the Independent Schools' Inspectorate (ISI) in May 2009 and received a highly satisfactory report, with many of the School's activities being marked 'outstanding'.

Grant-making

It is important to us that access is not restricted to those who can afford our fees. Our Bursary Policy contributes to a widening of access to the education we offer and the facilities we enjoy.

Bursary awards are available to new entrants who meet the School's entry criteria and also to existing pupils, on the basis of parental means or to relieve hardship. In assessing means, a number of factors are taken into consideration, including family income, savings, investments and family circumstances. However, the School does not have an endowment fund so must also ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards.

During the year 34 pupils benefited from the staff fee reduction scheme, multi-children discounts and bursaries, the last calculated on a means-tested basis. Such benefits reduced annual fee income by approximately £132,000.

Of this amount, bursaries totaling over £80,000 supported 13 pupils by the remission in part or in full of their fees, an increase of 7.3% over the previous year. Bursary awards ranged from 10% to 100% remission of fees. In some cases, extra-curricular activities and school lunches are also supported by a bursary.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

Volunteers

A Parents' Committee meets regularly to organise and run social activities in order to raise funds for the promotion of the School. In the year under review just over £5,400 was raised in this manner. The School also has volunteers who listen to children reading. The Board would like to take this opportunity to express its appreciation for this valuable and continuing support.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Company's net income for the year of £255,509 (2011 £388,720) is set out in the statement of financial activities.

Reserves

Note 12 to the financial statements shows the assets and liabilities attributable to the various funds by type. The statement of financial activities summarises the movements on each fund. At the year end, unrestricted funds amounted to £4,836,641.

It will be some years before the bank loan is repaid and the School has funds available to be maintained in appropriate cash reserves. Once this position arises the Board has concluded that, to allow the School to be managed efficiently and to provide a buffer for uninterrupted services, a general cash reserve that equates to six months of overhead expenditure should be built up and maintained.

Over the past few years a designated fund of £950,000 has been built up for future building development costs. This has been maintained at this level in the year under review, and an existing designated fund for major repairs amounting to £700,000 has been reduced by £113,197 for major roof repair and rendering costs expended during the year. The designated fund in respect of future employment costs has been maintained at a level of £300,000 during the year.

Capital Expenditure

The need to maintain and enhance the infrastructure of the School resulted in capital expenditure for the year of £131,789 as summarised in Note 8 to the accounts. This included further expenditure on the Sports Pavilion.

Investment Policy

The company has full powers of investment of its corporate reserves. The Board continues to keep under review the investment risks and rewards in the current state of the market and take professional advice as necessary. The School's policy is still to put all available retained funds, other than those required for day-to-day cash management, in as high interest yielding bank accounts as possible. The status of the account provider and accessibility to the funds are also key considerations in any investment decision.

Freehold Properties

In the opinion of the Directors, the value of the freehold land and permanent buildings is more than the book value.

FUTURE PLANS

The School intends to apply for planning consent to erect additional classroom facilities on adjacent ground to improve the facilities available to pupils and to enable the School to comply with specific teaching requirements identified in the last ISI Inspection in May 2009.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

OFFICERS' LIABILITY INSURANCE

The company maintains insurance policies on behalf of all the Directors against liability arising from negligence, breach of duty and breach of trust in relation to the company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 charitable company will continue in operation

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by the Board of Directors on *7th March 2013* and signed on its behalf by

A Phipps
Chairman



Rectory Lane
Ridge Hill
Shenley
Radlett
Hertfordshire
WD7 9BG

TO THE MEMBERS OF MANOR LODGE SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR LODGE SCHOOL

We have audited the Financial Statements of Manor Lodge School for the year ended 31st August 2012 on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TO THE MEMBERS OF MANOR LODGE SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Simon Nicholas Ross BSc FCA
(Senior Statutory Auditor)
For and on behalf of
Knight Wheeler Limited
Statutory Auditor
Chartered Accountants
54 Sun Street
Waltham Abbey
Essex
EN9 1EJ

7th March 2013

Date

STATEMENT OF FINANCIAL ACTIVITIES
(including an Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2012 £	2011 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds					
Fund-raising events		3,848	-	3,848	5,002
Investment income		10,673	-	10,673	2,190
Incoming resources from charitable activities					
School fees receivable		3,644,301	-	3,644,301	3,458,839
Clubs, school lunches & other activities		286,784	-	286,784	271,483
Registration fees		12,200	-	12,200	10,450
Total Incoming Resources		3,957,806	-	3,957,806	3,747,964
RESOURCES EXPENDED					
Charitable Expenditure					
Cost of generating funds	3	23,439	-	23,439	16,962
Charitable activities	3	3,664,375	83	3,664,458	3,327,102
Governance costs	3	14,400	-	14,400	15,180
Total Resources Expended		3,702,214	83	3,702,297	3,359,244
NET INCOMING RESOURCES FOR THE YEAR					
		255,592	(83)	255,509	388,720
TRANSFERS					
Gross transfers between funds	11	2,633	(2,633)	-	-
BALANCES BROUGHT FORWARD					
		4,578,416	2,716	4,581,132	4,192,412
BALANCES CARRIED FORWARD					
	11	4,836,641	-	4,836,641	4,581,132

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The attached notes form part of these financial statements.

BALANCE SHEET

AS AT 31 AUGUST 2012

	Notes	£	2012 £	2011 £
TANGIBLE FIXED ASSETS	8		4,778,148	4,857,333
CURRENT ASSETS				
Debtors	9	81,957		64,967
Cash at Bank and in hand		1,822,884		1,346,241
			<hr/>	<hr/>
		1,904,841		1,411,208
CURRENT LIABILITIES				
Creditors Amounts falling due within one year	10	798,550		583,188
			<hr/>	<hr/>
NET CURRENT ASSETS			1,106,291	828,020
			<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,884,439	5,685,353
CREDITORS: Amounts falling due after more than one year	10		1,047,798	1,104,221
			<hr/>	<hr/>
TOTAL NET ASSETS			4,836,641	4,581,132
			<hr/>	<hr/>
FUNDS				
Unrestricted funds				
General funds	11		2,999,838	2,628,416
Designated funds	11		1,836,803	1,950,000
			<hr/>	<hr/>
			4,836,641	4,578,416
Restricted funds			-	2,716
			<hr/>	<hr/>
TOTAL FUNDS			4,836,641	4,581,132
			<hr/>	<hr/>

Approved by the Board of Governors on

7th March

2013 and signed on its behalf by

A Phipps
Chairman

A Phipps

The attached notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	£	2012 £	£	2011 £
Net cash inflow from operating activities	1		673,483		713,762
Returns on investments and servicing of finance	2		(12,766)		(14,772)
Capital expenditure	2		(128,539)		(376,080)
			<hr/>		<hr/>
			532,178		322,910
Financing	2		(55,535)		(29,884)
			<hr/>		<hr/>
Increase in cash in the year			476,643		293,026
			<hr/>		<hr/>

Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the year		476,643		293,026	
Cash inflow from decrease in debt financing		55,535		29,884	
		<hr/>		<hr/>	
Change in net funds resulting from cash flows			532,178		322,910
			<hr/>		<hr/>
Movement in net funds in the year			532,178		322,910
Net funds at 1 September			162,373		(160,537)
			<hr/>		<hr/>
Net funds at 31 August			694,551		162,373
			<hr/>		<hr/>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012

1 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating surplus before interest payable/(receivable)	268,275	403,492
Depreciation charges	210,974	217,208
(Increase)/Decrease in debtors	(16,990)	51,414
Increase in creditors	214,474	41,648
Profit on disposal of fixed assets	(3,250)	-
	<hr/>	<hr/>
Net cash inflow from operating activities	673,483	713,762
	<hr/>	<hr/>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	10,673	2,190
Interest paid	(23,439)	(16,962)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(12,766)	(14,772)
	<hr/>	<hr/>
Capital expenditure		
Purchase of tangible fixed assets	(131,789)	(376,080)
Sale of tangible fixed assets	3,250	-
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(128,539)	(376,080)
	<hr/>	<hr/>
Financing		
New bank loan in year	-	989,800
Redemption of existing bank loans and capital bank loan payments made during the year	(55,035)	(1,025,184)
(Decrease)/Increase in deposits held	(500)	5,500
	<hr/>	<hr/>
Net cash outflow from financing	(55,535)	(29,884)
	<hr/>	<hr/>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2011	Cash flow	At 31 August 2012
Net cash			
Cash at bank	1,346,241	476,643	1,822,884
	<hr/>	<hr/>	<hr/>
Debt			
Debts falling due within one year			
Deposits held	(26,500)	1,000	(25,500)
Bank loans	(53,147)	(1,888)	(55,035)
	<hr/>	<hr/>	<hr/>
Debts falling due after one year			
Bank loans	(918,721)	56,923	(861,798)
Deposits held	(185,500)	(500)	(186,000)
	<hr/>	<hr/>	<hr/>
Total	(1,183,868)	55,535	(1,128,333)
	<hr/>	<hr/>	<hr/>
TOTAL	162,373	532,178	694,551
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

(b) Company status

The Charity is a company limited by guarantee. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the company's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

(d) Incoming resources

All incoming resources are included in the SOFA when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fees receivable consist of charges billed for the school year ending 31 August less bursaries and allowances. Fees received for education to be provided in a future year are shown as fees paid in advance at the balance sheet date.

Donations subject to the specific wishes of the donors are treated as restricted funds. Donations received for the general purpose of the school are treated as unrestricted funds.

(e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. The irrecoverable element of VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running the charity, including external audit, any legal advice for strategic planning purposes, and all the costs of complying with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2012

(f) Tangible fixed assets and depreciation

Tangible fixed assets are included at cost including any incidental expenses of acquisition

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows

Freehold land	nil
Freehold buildings	over 50 years
Furniture and office equipment	over 5 years on a straight line basis
Computer equipment	over 4 years on a straight line basis
Leasehold property	over the period of the lease

(g) Investments

Current asset investments represent the value of monies held in bank deposit accounts

(h) Pension costs

The Company contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The Company also contributes to a group personal pension scheme for non-teaching staff at 5.3% of annual basic pay. Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

(i) Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

(j) Teaching materials

Supplies of games equipment, books, stationery and sundry materials are written off as an expense when incurred.

(k) Taxation

The cost of value added tax incurred by the company has been included in the Statement of Financial Activities. The Company has charitable status and its income is not subject to taxation.

2 EXPENDITURE

	2012 £	2011 £
Other expenditure includes		
Fees payable to the Company's auditor for the audit of the Company's annual accounts (non-audit fees - £NIL)	14,400	15,180
Depreciation - owned assets	210,974	217,208
Operating lease rentals - Land and buildings	49,781	15,300
Fittings and equipment	2,781	5,577
Profit on disposal of fixed assets	(3,250)	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2012

3 ANALYSIS OF RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	2012 Total £	2011 Total £
COST OF GENERATING FUNDS					
Bank loan interest	-	23,439	-	23,439	16,962
CHARITABLE ACTIVITIES					
Teaching Costs	2,018,863	153,363	-	2,172,226	2,043,670
Housekeeping	69,838	213,103	-	282,941	255,456
Premises	117,852	417,176	123,311	658,339	527,759
Administration of the School	207,539	187,595	87,663	482,797	433,324
Finance and Other costs	-	8,164	-	8,164	16,934
Management and Administration of the Charity	59,991	-	-	59,991	49,959
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,474,083	979,401	210,974	3,664,458	3,327,102
GOVERNANCE COSTS					
	-	14,400	-	14,400	15,180
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,474,083	1,017,240	210,974	3,702,297	3,359,244
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Within the premises depreciation cost shown above, an amount of £83 has been charged to a restricted fund

4. STAFF COSTS

	2012 £	2011 £
Social Security costs	177,651	157,619
Wages and Salaries	2,077,594	1,899,935
Pension costs	201,792	185,441
	<hr/>	<hr/>
	2,457,037	2,242,995
	<hr/>	<hr/>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows

	2012 Number	2011 Number
£70,001 - £80,000	1	1

Pension contribution costs in relation to the employee paid in excess of £60,000 during the year were £11,167 (2011 £9,077) The employee participated in the government superannuation pension scheme

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2012

4. STAFF COSTS (continued)

The average number of employees, calculated on a full-time equivalent basis, analysed by function during the year was made up as follows

	2012 Number	2011 Number
Teaching	36	36
Administration	7	7
Support	20	17
	<hr/>	<hr/>
	63	60
	<hr/>	<hr/>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank loan interest payable	23,439	16,962
	<hr/>	<hr/>

6 DIRECTORS' REMUNERATION

The directors neither received nor waived any emoluments during the year (2011 £NIL)

Out of pocket expenses were reimbursed to one director as follows

	2012 £	2011 £
Travel	310	418
	<hr/>	<hr/>

7 PENSION COSTS

The Company makes contributions to a government superannuation defined benefit scheme on behalf of its teaching staff. In addition, the Company contributes to a defined contribution scheme on behalf of certain of its non-teaching staff. Contributions are charged in the statement of financial activities as they accrue. The charge for the year was £186,307 (2011 £172,156) in respect of teaching staff and £15,485 (2011 £13,285) in respect of other staff. Contributions payable as at 31 August 2012 in respect of teaching staff were £15,616 (2011 £13,762) and non-teaching staff were £1,871 (2011 £1,136).

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2012

8 TANGIBLE FIXED ASSETS

	Computer Equipment	Equipment, Fixtures and Fittings	Land & Freehold Property	Short Leasehold Property	Total
	£	£	£	£	£
Cost or Valuation					
As at 1 September 2011	367,260	887,822	5,121,894	425,738	6,802,714
Additions	46,618	38,133	672	46,366	131,789
Disposals	-	(8,078)	-	-	(8,078)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2012	413,878	917,877	5,122,566	472,104	6,926,425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
As at 1 September 2011	307,768	748,609	872,043	16,961	1,945,381
Charge for year	25,268	62,395	102,439	20,872	210,974
Disposals	-	(8,078)	-	-	(8,078)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2012	333,036	802,926	974,482	37,833	2,148,277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
As at 31 August 2012	80,842	114,951	4,148,084	434,271	4,778,148
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2011	59,492	139,213	4,249,851	408,777	4,857,333
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9. DEBTORS

	2012 £	2011 £
Amounts falling due within one year		
Fees receivable	24,734	18,234
Prepayments	53,962	46,237
Other debtors	3,261	496
	<hr/>	<hr/>
	81,957	64,967
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2012

10 CREDITORS

	2012	2011
	£	£
Amounts falling due within one year		
Bank Loans	55,035	53,147
Taxation and Social Security payable	53,419	44,754
Other Creditors and Accruals	425,385	257,833
Fees paid in advance	239,211	200,954
Deposits held	25,500	26,500
	<hr/>	<hr/>
	798,550	583,188
	<hr/>	<hr/>

	2012	2011
	£	£
Amounts falling due after one year		
Long term mortgage	861,798	918,721
Deposits held	186,000	185,500
	<hr/>	<hr/>
	1,047,798	1,104,221
	<hr/>	<hr/>

The amounts falling due in respect of creditors payable by instalments after five years were

	2012	2011
	£	£
Bank loans - element over five years	641,658	706,132
Deposits held - element over five years	76,000	75,000
	<hr/>	<hr/>

The bank loan facility provided by Barclays Bank plc is secured by a debenture over the freehold land and property at Manor Lodge School dated 23 May 2011. The aggregate value of secured liabilities is therefore £916,833 (2011 £971,868)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2012

11 FUNDS

	At 1 September 2011 £	Income £	Expenditure £	Transfer £	At 31 August 2012 £
General fund	2,628,416	3,957,806	(3,589,017)	2,633	2,999,838
Designated funds					
Major repairs fund	700,000	-	(113,197)	-	586,803
Building development fund	950,000	-	-	-	950,000
Future employment costs fund	300,000	-	-	-	300,000
Total unrestricted funds	4,578,416	3,957,806	(3,702,214)	2,633	4,836,641
Restricted funds	2,716	-	(83)	(2,633)	-
Total funds	4,581,132	3,957,806	(3,702,297)	-	4,836,641

The General fund represents the free funds of the Company which are not designated for particular purposes

Repairs and maintenance costs are a major component of the Company's expenditure every year. The main school building is Grade II listed and approaching three hundred years old. Although the School maintains a rolling programme of redecoration and refurbishment, the historic trend shows that major repair expenditure is incurred periodically and to be shown as an expense of this fund. During the year, the Company expended £113,197 on major roof repairs and render work to the school's main building.

In addition, the Directors maintain a designated fund for building development as they believe that investment in such development is essential to ensure that facilities offered to pupils and parents are of the highest standard. The fund at 31 August 2012 has been designated to develop a site adjacent to the existing school grounds.

The Directors believe that the Company will be responsible for future employment costs predominantly related to pension liabilities and that funds should be set aside for this purpose.

Funds held within Restricted funds related to monies raised independently of the School by the Friends of Manor Lodge and had been donated to contribute towards the purchase of sports pitches. There are no restrictions imposed on the use to which the sports pitches may be put by the School. This fixed asset is therefore held for a general and not restricted purpose. Accordingly, during the year, the Directors have elected to reclassify this category of fund from restricted to unrestricted.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 AUGUST 2012

12. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows

	Fixed Assets £	Net Current Assets/ Liabilities £	Long Term Liabilities £	Total £
Unrestricted Funds				
General Fund	3,928,148	119,488	(1,047,798)	2,999,838
Major Repairs Fund	-	586,803	-	586,803
Building Development Fund	850,000	100,000	-	950,000
Future Employment Costs Fund	-	300,000	-	300,000
	<hr/>	<hr/>	<hr/>	<hr/>
	4,778,148	1,106,291	(1,047,798)	4,836,641
	<hr/>	<hr/>	<hr/>	<hr/>

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land & Buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiring				
Within one year	7,000	7,000	-	3,728
In two to five years	32,110	-	706	1,849
In more than five years	10,671	8,300	2,075	-
	<hr/>	<hr/>	<hr/>	<hr/>
	49,781	15,300	2,781	5,577
	<hr/>	<hr/>	<hr/>	<hr/>

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2012

	2012		2011	
	£	£	£	£
RECEIPTS				
School Fees	3,644,301		3,458,839	
Registrations	12,200		10,450	
	<hr/>	3,656,501	<hr/>	3,469,289
Add				
Net proceeds from fund-raising activities		3,848		5,002
Clubs, school lunches & other activities		286,784		271,483
Interest Receivable		10,673		2,190
		<hr/>		<hr/>
		3,957,806		3,747,964
Less Expenses				
Salaries				
Teaching & Administration	1,827,675		1,691,045	
Domestic Staff & Maintenance	178,501		139,110	
Drama, Elocution, Music & Casual	57,240		60,936	
Supply Teachers	14,178		8,844	
Employers NIC	177,651		157,619	
Staff Superannuation Scheme	201,792		185,441	
Life Assurance Policies	5,805		4,831	
Staff Training & Recruitment	17,045		19,810	
Medical Insurance	24,436		19,730	
	<hr/>		<hr/>	
	2,504,323		2,287,366	
	<hr/>		<hr/>	
Premises				
Rates & Water	14,885		10,585	
Light & Heat	60,863		52,480	
Telephone	17,388		5,766	
Insurance	34,410		40,286	
Cleaning & Refuse	41,209		48,240	
Repairs & Renewals	183,185		125,869	
Security & Safety	19,609		12,060	
Grounds	104,224		78,674	
	<hr/>		<hr/>	
	475,773		373,960	
	<hr/>		<hr/>	
Carried forward		3,957,806		3,747,964

DETAILED INCOME AND EXPENDITURE ACCOUNT - continued

FOR THE YEAR ENDED 31 AUGUST 2012

	2012	2011
	£	£
Brought forward	3,957,806	3,747,964
Other		
Travelling & Entertaining	2,202	2,367
Educational Supplies	64,003	67,269
Printing, Postage & Stationery	39,410	33,620
Advertising	17,837	27,974
Swimming	6,368	5,871
General Expenses	9,773	5,624
Legal & Professional Fees	35,584	31,154
Audit remuneration	14,400	15,180
Depreciation	210,974	217,208
Bank Charges & interest	8,164	16,934
Catering	167,650	154,323
Milk	4,244	3,644
Excursions	33,800	24,860
School Inspection	2,900	2,700
Ju Jitsu	18,375	15,338
Subscriptions	9,469	8,566
Heads Expenses	3,142	1,311
Chess	16,768	11,617
Office Software	36,949	35,396
Profit on disposal of fixed assets	(3,250)	-
	<hr/>	<hr/>
	698,762	680,956
	<hr/>	<hr/>
	3,678,858	3,342,282
	<hr/>	<hr/>
	278,948	405,682
Bank loan interest	23,439	16,962
	<hr/>	<hr/>
	23,439	16,962
	<hr/>	<hr/>
NET SURPLUS for the year	255,509	388,720
	<hr/>	<hr/>