

**MOSTYN HOUSE SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2006**



**Company No 3079131 (England and Wales)**

**Registered Charity No 1048117**

# **MOSTYN HOUSE SCHOOL**

## **Contents**

	<b>Page</b>
Company information	1
Directors' Report	2-7
Statement of Directors' Responsibilities	8
Auditors' Report to the Members	9-10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Accounts	13-21
 The following pages do not form part of the statutory accounts:	
Income & Expenditure Account	22-23

## MOSTYN HOUSE SCHOOL

### Company Information

Registered Officer and principal address	Mostyn House School Parkgate Wirral Cheshire CH64 6SG
Company Number	3079131
Registered Charity Number	1048117
Headmistress	S M T Grenfell
Directors and Trustee	R G L Dale-Jones S M T Grenfell S Burrows C J Allan
Company Secretary	R G L Dale-Jones
Bankers	Barclays Bank Plc Liverpool City Office P O Box 232 4 Water Street Liverpool L69 2RT  Bank of Scotland Plc Douglas House 117 Foregate Street Chester CH1 1HE  National Westminster Bank Plc 115 Deansgate Manchester M3 2NW
Auditors	Kemp and Co Chartered Accountants and Registered Auditors 202 Cotton Exchange Building Old Hall Street Liverpool L3 9LQ

**MOSTYN HOUSE SCHOOL**  
**Directors' Report**  
**for the year ended 31 July 2006**

The Directors present their annual report for the year ended 31 July 2006 under the Charities Act 1993, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The Charity is registered with the Charity Commission under Charity Number 1048117. Particulars of the directors and trustees and professional advisors are given on page 1.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Mostyn House School became a charitable trust in 1979. The charity was incorporated in 1995.

**Governing Body**

The governors of the school are also its Charity Trustees and Directors as listed on page 1.

**Recruitment and Training of Governors**

The Charity has a detailed policy on the recruitment, induction and training of new governors that complies with the recommendations of the Charity Commission. The policy ensures that nominees are eligible to serve, personally competent and have necessary specialist skills. No new governors were appointed in the year ending 31<sup>st</sup> July 2006.

**Organisational Management**

The governors of the school are legally responsible for the overall management and control of the school. The governors meet, on average, six times a year. The governing body has no sub-committees so all aspects of the school's management are reviewed by the full governing body.

The day-to-day running of the school is delegated to the Headmistress and her senior management team.

**Risk Management**

The Board of Governors is responsible for the management of risks faced by the school. Detailed management of risks is delegated to the senior management team. Risks are identified, assessed and controls established throughout the year.

The key controls used by the Charity include:

- Formal agendas for all Board meetings
- Comprehensive strategic planning, budgeting and management accounting
- Established organizational structure and lines of reporting
- Formal written policies
- Clear authorization and approval levels
- Vetting procedures as required by law for the protection of the vulnerable.

**MOSTYN HOUSE SCHOOL**  
**Directors' Report**  
**for the year ended 31 July 2006 (cont'd)**

**Risk Management (cont'd)**

Through the risk management process, the governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognized that systems can only provide reasonable, but not absolute assurance that major risks have been adequately managed.

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The objects as set out in the Memorandum and Articles of Association are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop any boarding or day college, school or nursery for the education of children of both sexes and of any age.

**Aims and Intended Impact**

Within these Objects, the school's policy is to attain the highest academic levels whilst allowing pupils to benefit from its extra-curricular programme and so to develop their full potential and grow into mature, thoughtful young adults. There have been no changes in the policy since the previous year end.

**Objectives for the year**

The main focus of the year has been on the continued achievement of academic performance with a more effective use of assessment data to inform planning. Other major objectives have been to develop further links with the community; to celebrate the school's 150th anniversary launching a development fund appeal; to continue to provide a broad range of extra curricular and sporting opportunities; to implement new self-evaluation procedures and to review the school's marketing strategy.

**Strategies to achieve the year's objectives**

These have included: the sharing of good practice among staff and consideration of new assessment procedures; the development of links with Gayton Primary School, Phoenix Shooters Association and the Parkgate Society; a special Speech Day and anniversary ball; continued provision of daily activities during the timetabled day and optional out of school activities; implementation of the new ISI self-evaluation procedures; formation of a staff marketing committee.

**Principal activities of the year**

The provision of education to boys and girls from six weeks of age in the School Nursery to 18 years of age in the VIth Form is the principal activity of the school. The School continues to provide specialist education for pupils with specific learning difficulties and for pupils for whom English is an additional language.

## **MOSTYN HOUSE SCHOOL**

### **Directors' Report for the year ended 31 July 2006 (cont'd)**

#### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

##### **Operational performance of the school**

The GCSE performance of the Year 11 pupils in 2006 once again showed good added value with five or more A\*-C grades across all subjects being achieved by 79% of the pupils. All core GCSE subjects (English Language, English Literature, Mathematics and Dual Award Science) secured results considerably above the national average. At A Level, 70% of all results were at grade C or higher and all students who wished to do so went on to the university of their choice.

Pupils' performance and attainment continued to be monitored through a series of internal tests and standardised tests. NFER papers in English and Maths are sat annually by pupils from Year 1 to Year 9 so that teaching staff may assess and monitor progress. The staff review of assessment procedures and the meetings to share good practice in assessment lead to the creation of a new attainment grade system whereby the attainment grades which are awarded are linked formally to National Curriculum Level descriptors, thus enabling more accurate standardisation to take place.

Teaching staff reviewed and drew up a new policy on the teaching of gifted and talented pupils. The policy provides for the identification of pupils who may be gifted and talented in one area or several and states how the school will ensure their needs are being met and the pupils are being rigorously challenged. The senior management continued to review the performance of the teaching staff and to work with the staff to review the quality of teaching and learning in different subject areas. The school remains committed to an ongoing programme of review and development so that all aspects continue to improve.

The school has successfully developed a link with Gayton Primary School. The school's Design Technology (DT) staff have been delivering lessons in Resistant Materials to Year 6 pupils from Gayton every Tuesday afternoon. The DT staff have collected the Gayton pupils and a member of their staff in the school minibus and brought them to Mostyn House to use the senior department's DT facilities. The Gayton pupils have worked on a number of designing and making projects and have benefited from this opportunity to improve their skills. This partnership is part of our commitment to providing public benefit and therefore no charge was made for this project.

To continue to build community links and to improve sporting facilities, the school has been working with the local Phoenix Shooters Association to convert the former WW2 air raid shelter, which was later used for indoor cricket practice, into a miniature .22 rifle range. Shooting has been an important sport at the School since the early 1900's and the current Headteacher became President of the Prep Schools Rifle Association this year.

The School has been working closely with the Parkgate Society to celebrate the history of the village. Students and staff have been planning for the Heritage Open days in September 2006 when parts of the school will be open to the public and various displays and interactive activities will be on offer, such as bell ringing.

**MOSTYN HOUSE SCHOOL**  
**Directors' Report**  
**for the year ended 31 July 2006 (cont'd)**

**Operational performance of the school (cont'd)**

The School continues to allow access to the School's facilities for various community groups and organisations at a minimal rate to cover operational costs. The Keith Allen Swimming School teaches local children to learn to swim in the school pool in the evenings and at weekends. The Wirral Academy of Performing Arts teaches drama, singing and dance to local children in the school buildings on Saturdays. Each summer holidays the Heswall Community Volunteer Service organises two weeks of summer courses in swimming, sport and arts at the school for local children. Other charities and community groups requiring venues for meetings or functions also use the school buildings

The School celebrated the 150<sup>th</sup> anniversary of its move to Parkgate in September 2005. The former Headmaster of Shrewsbury School gave the address at a special speech day to mark the occasion, which was extremely well attended by current and past parents, former pupils and staff and other members of the local community. Pupils of all ages gave musical and dramatic performances, which traced the history of the last 150 years. An anniversary ball was held and assisted the beginning of the fundraising for the Griffin Project.

The Griffin Project is an appeal to raise one million pounds to redevelop the school's theatre and sporting facilities. A variety of fundraising activities have taken place during the year including a Christmas raffle, a Valentine's party and a Sportsman's dinner. At 31 July 2006 the balance on the Griffin Project was £42,813.

The marketing committee, composed of volunteers from the teaching staff and chaired by the Director of School, revised and successfully implemented the format for the school's open day / evening in May. A new website was also successfully launched and is still being developed.

As part of the school's development planning cycle, subject departments and key areas of the school evaluated their performance at the end of the school year to assist in the setting of targets for next year. The model used was that set out in the ISI documentation. Questionnaires were sent out at the end of the academic year to parents of pupils who had just completed a key stage so that further feedback could be gained for quality assurance and development purposes.

The pupils sporting and extra curricular successes during the year were many. These were a few of the most notable: A Year 9 boy won third place in the Under 16 Boys Breaststroke in the ISA National Swimming Championships; the Under 16 boys Cross Country Team won the ISA North Schools' Championships; a Year 4 boy took first place in the Under 11 Acting and Under 10 Book Reading in the Wirral Festival of Speech and Drama; a Year 4 girl took third place at a national gymnastics event; the Prep Athletics Team came second overall at the North West IAPS Meeting; a Year 11 boy who is a member of the Liverpool Philharmonic Youth Choir, sang at the "Celebrate Liverpool Concert" in honour of Condoleeza Rice's visit to the city; a Year 6 boy won the Under 12 long jump at the ISA National Athletics Meeting; a Junior team came second in the North West K'Nex Young Engineers Challenge.

In addition to all of these achievements the school offered pupils the opportunities to: travel abroad (a business studies trip to Paris and a modern languages trip to Madrid); develop and practise fieldwork skills in various different subjects; perform on stage (e.g. the Infants' nativity play, the Junior production of "Romeo and Juliet", the Year 9's version of "Antigone"); sing and perform music in concerts or in school Chapel services; participate in the Duke of Edinburgh Award Scheme; work together in their houses to raise money for their chosen charities; develop their skills in a wide range of hobbies and sports.

**MOSTYN HOUSE SCHOOL**  
**Directors' Report**  
**for the year ended 31 July 2006 (cont'd)**

**Fundraising performance**

The development fund, started this year to commemorate the 150<sup>th</sup> anniversary of the school received £28,147 by way of donations and income of £ 37,708 from fundraising activities.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

Total income achieved from School fees fell during the year following a small reduction in the number of pupils but nevertheless exceeded budget. The School continues to monitor operating costs carefully and these have remained reasonably static despite the fall in the number of pupils from 227 to 214.

The trustees are satisfied with the surplus achieved by the school on school activities but are conscious of the need to maintain or increase pupil numbers.

The Trustees are conscious of the need to build up the free reserves of the school towards a level that equates with a full term's expenditure in accordance with the generally accepted view in the Independent Schools sector.

**FUTURE PLANS**

The school development plan sets out the following targets for 2006 – 2007:

- 1) To continue to maintain the school's academic and extra-curricular standards and to improve the self-evaluation process as part of our on-going quality assurance;
- 2) To review marketing strategies and to increase the numbers of pupils who transfer from the School Nursery to the Infant Department;
- 3) To embed the new policies and practice on the use of assessment data;
- 4) To recruit at least one new member to the board of governors;
- 5) To introduce a new system of academic meetings to improve communication and to foster debate about educational issues;
- 6) To set up a School Council and to develop leadership opportunities for pupils;
- 7) To continue to strengthen links with local schools and the community;
- 8) To work in partnership with Promethean to develop the use of interactive whiteboards in schools;
- 9) To review the fundraising strategy of the Griffin Project to enable the school to meet its target of providing a refurbished theatre and indoor sporting facilities within the next five years.



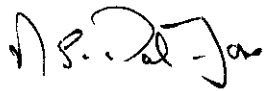
**MOSTYN HOUSE SCHOOL**  
**Directors' Report**  
**for the year ended 31 July 2006 (cont'd)**

**Auditors**

The Auditors, Kemp & Co, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985 at the Annual General Meeting.

**Small company exemptions**

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Trustees on 21 May 2007 and signed on its behalf by:



**R G L Dale-Jones**  
**Company Secretary & Trustee**

**MOSTYN HOUSE SCHOOL**  
**Statement of Directors' Responsibilities**

The purpose of this statement is to distinguish the Directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its net income or expenditure for the year.

In preparing the accounts the Directors 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the company at any time, and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the company's corporate assets and those of its trust funds and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud or other irregularities.

**MOSTYN HOUSE SCHOOL**  
**Independent Auditors' Report to the Members of**  
**Mostyn House School**

We have audited the accounts of Mostyn House School for the year ended 31 July 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages 11 to 21. These financial statements have been prepared under the accounting policies set out on pages 13 to 15.

This report is made solely to the company's members, as a body, in accordance with s.235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters which 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and Auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Trustees Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices 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 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 financial statements are free from material misstatement, whether caused by fraud or other irregularities or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

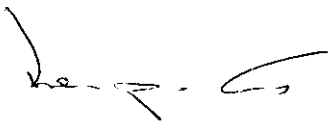
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**MOSTYN HOUSE SCHOOL**  
**Independent Auditors' Report to the Members of**  
**Mostyn House School (cont'd)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of affairs as at 31 July 2006 and of its profit for the year then ended:
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and:
- the information given to the Directors' Report is consistent with the financial statements.



Kemp & Co  
Chartered Accountants and  
Registered Auditors  
202 Cotton Exchange Building  
Old Hall Street  
Liverpool  
L3 9LQ

21 May 2007

# MOSTYN HOUSE SCHOOL

## Statement of Financial Activities for the year ended 31 July 2006

	Notes	Unrestricted Funds	Restricted Funds	2006 Total Funds	2005 Total Funds
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Income from Charitable Activities</b>					
School Fees receivable		1,906,915	-	1,906,915	1,945,756
Registration fees		4,094	-	4,094	6,200
Other income		1,485	-	1,485	2,408
<b>Incoming Resources from Generated Funds</b>					
Activities for generating funds		14,010	37,708	51,718	7,217
Investment income		372	26	398	758
Donations		506	28,295	28,801	29,392
<b>Total incoming resources</b>		<u>1,927,382</u>	<u>66,029</u>	<u>1,993,411</u>	<u>1,991,731</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Activities</b>					
School operating costs		1,870,650	-	1,870,650	1,871,429
<b>Costs of generating funds</b>					
Costs of generating voluntary income		3,000	45,599	48,599	10,348
Bank & other interest	5	26,711	-	26,711	30,170
<b>Governance costs</b>		<u>9,800</u>	<u>-</u>	<u>9,800</u>	<u>9,100</u>
<b>Total resources expended</b>	4	<u>1,910,161</u>	<u>45,599</u>	<u>1,955,760</u>	<u>1,921,047</u>
<b>Net incoming resources before transfer</b>		17,221	20,430	37,651	70,684
Transfers between funds		<u>429</u>	<u>(429)</u>	<u>-</u>	<u>-</u>
<b>Net incoming resources</b>		17,650	20,001	37,651	70,684
Fund balances brought forward at 1 August 2005		<u>249,622</u>	<u>54,412</u>	<u>304,034</u>	<u>233,350</u>
Fund balance carried forward at 31 July 2006		<u>267,272</u>	<u>74,413</u>	<u>341,685</u>	<u>304,034</u>

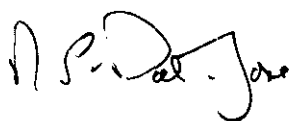
The notes on pages 11 to 21 form part of these financial statements.

# MOSTYN HOUSE SCHOOL

## Balance Sheet as at 31 July 2006

	Notes	£	2006 £	£	2005 £
<b>Fixed assets</b>					
Tangible assets	6		764607		773760
<b>Current assets</b>					
Stocks	7	36709		38169	
Debtors	8	61132		90155	
Cash at bank and in hand		<u>56640</u>		<u>35576</u>	
		154481		163900	
<b>Creditors: amounts falling due within one year</b>	9	<u>401011</u>		<u>398729</u>	
<b>Net current liabilities</b>			(246530)		(234829)
<b>Total assets less current liabilities</b>			518077		538931
<b>Creditors: amounts falling due after more than one year</b>	10		(176392)		(234897)
<b>Net assets</b>			<u>341685</u>		<u>304034</u>
<b>Financed by:</b>					
Reserves	11		<u>341685</u>		<u>304034</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on 21 May 2007 and signed on its behalf by:



**R G L Dale-Jones**  
**Trustee**

The notes on pages 13 to 21 form part of these financial statements.

# **MOSTYN HOUSE SCHOOL**

## **Notes to the Accounts for the year ended 31 July 2006**

### **1 Accounting policies**

#### **Basis of preparation of the accounts**

The accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Directors' and Trustees' Report and all of which are continuing.

The accounts are prepared under the Companies Act 1985 on the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2005.

#### **Fees**

Fees receivable consist of charges billed for the School Year ending 31 July less bursaries and allowances. Fees received for education to be provided in future years are carried forward as deferred income.

#### **Donations**

Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct school income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donated fixed assets are capitalised at cost to the donor and depreciated in accordance with the school's depreciation policy.

#### **Resources expended**

##### **Direct and Overhead Expenditure**

Expenditure is summarized under functional headings either on a direct cost basis or, for overhead costs, apportioned according to management estimates of staff time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

#### **Teaching materials**

Supplies of games equipment, books, stationery and sundry materials are written off to the General Revenue account as soon as the expenditure on procuring them is incurred.

#### **Fixed assets**

##### **Capitalisation and replacement**

Items costing more than £500 are capitalised and carried in the Balance Sheet at historic cost. Items costing less than £500 are capitalised only where they form part of a larger project.

**MOSTYN HOUSE SCHOOL**  
**Notes to the Accounts**  
**for the year ended 31 July 2006 (cont'd)**

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of the asset as follows:

Leasehold property	Over the life of the lease
Leasehold improvements	5% reducing balance
Fixtures, fittings & computer equipment	10-20% reducing balance
Motor vehicles	25% reducing balance
Swimming pool	Over life of the lease

**Stock**

Stock has been valued at the lower of cost and net realisable value.

**Hire purchase contracts**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged against the Income and Expenditure Account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

**Finance lease agreements**

Assets held under finance leases where substantially all of the benefits and risks of ownership accrue to the lessee, are capitalised and disclosed under tangible fixed assets at their fair value. The assets are depreciated over the shorter of the lease terms or their useful economic life. The capital element of the future payments is treated as a liability. The total finance charge for each lease is charged against the Income and Expenditure Account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged in the SOFA on a straight line basis over the lease term.

**Taxation**

The school is registered under the Charities Act 1993 and satisfies the requirements for full tax exemption. Therefore no taxation charge arises on any annual surplus.



**MOSTYN HOUSE SCHOOL**  
**Notes to the Accounts**  
**for the year ended 31 July 2006 (cont'd)**

**Pensions**

The school contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the school by the Scheme Administrator. The Scheme is a multi-employer pension and it is not possible to identify the assets and liabilities of the Scheme, which are attributable to the Charity. In accordance with FRS17 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The school also operates a defined contribution scheme for certain members of the administrative and other non-teaching staff and these contributions are accrued accordingly.

**Cash Flow Statement**

The company qualifies as a small company and as such is exempt from the requirement to prepare a cash flow statement under FRS1 (revised) Cash Flow Statement.

**2 Staff costs**

The aggregate costs of the school's employees were:	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages & salaries	1400909	1357175
Social security costs	106501	104826
Other pension costs	<u>129122</u>	<u>128574</u>
	<u>1636532</u>	<u>1590575</u>

The average number of full and part-time staff employed by the school during the year was 86 (2005 86).

**3 Director's emoluments**

The Director's emoluments, including pensions and benefits in kind were:	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Emoluments of Executive Directors	<u>57314</u>	<u>54114</u>

During the year, retirement benefits were accruing to 1 director (2005 - 1) in respect of money purchase pension scheme.

# MOSTYN HOUSE SCHOOL

## Notes to the Accounts for the year ended 31 July 2006 (cont'd)

### 4 Expenditure – Analysis of Total Resources Expended

	Staff Costs £	Other £	Depreci ation £	Total £
<b>Direct Charitable Expenditure</b>				
Teaching costs	1228607	30612	12677	1271896
Welfare	107362	(21939)	-	85423
Premises	55729	120901	17131	193761
Support cost for schooling	<u>240834</u>	<u>74684</u>	<u>4052</u>	<u>319570</u>
	1632532	204258	33860	1870650
<b>Cost of generating funds</b>				
Costs of generating voluntary				
Income	3000	4559	-	48599
Bank and other interest	-	26711	-	26711
<b>Governance costs</b>	<u>1000</u>	<u>8800</u>	<u>-</u>	<u>9800</u>
	<u>1636532</u>	<u>285368</u>	<u>33860</u>	<u>1955760</u>

### Expenditure – Other disclosures

	2006 £	2005 £
Charitable expenditure includes:		
Loss on disposal of fixed assets	1010	1148
Hire of plant & machinery	3583	3152
Depreciation	33860	32066
Directors and officers liability insurance costs	3018	3018
Governance costs include:		
Auditors' remuneration - for audit services	6500	6100
- for other services	2300	2000

### 5 Interest payable

	2006 £	2005 £
<b>On bank loans &amp; overdrafts</b>		
Repayable within 5 years not by instalments	2198	2405
Repayable within 5 year by instalments	9401	16942
Repayable wholly or partly in more than 5 years	<u>13816</u>	<u>9799</u>
	25415	29146
On hire purchase contracts	<u>1296</u>	<u>1024</u>
	<u>26711</u>	<u>30170</u>

# MOSTYN HOUSE SCHOOL

## Notes to the Accounts for the year ended 31 July 2006 (cont'd)

### 6 Tangible fixed assets

	Long Leasehold Properties	Leasehold Improvements	Fixtures, Fittings & Computer Equipment	Swimming Pool	Motor Vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 August 2005	400000	395022	386143	213440	66030	1460635
Additions	-	-	12306	-	13741	26047
Disposals	-	-	(669)	-	(45630)	(46299)
At 31 July 2006	<u>400000</u>	<u>395022</u>	<u>397780</u>	<u>213440</u>	<u>34141</u>	<u>1440383</u>
<b>Depreciation</b>						
At 1 August 2005	97205	176328	295610	54546	63186	686875
Charge	4040	10935	12677	2156	4052	33860
Relating to disposals	-	-	(407)	-	(44552)	(44959)
At 31 July 2006	<u>101245</u>	<u>187263</u>	<u>307880</u>	<u>56702</u>	<u>22686</u>	<u>675776</u>
<b>Net Book Value</b>						
At 31 July 2006	<u>298755</u>	<u>207759</u>	<u>89900</u>	<u>156738</u>	<u>11455</u>	<u>764607</u>
At 31 July 2005	<u>302795</u>	<u>218694</u>	<u>90533</u>	<u>158894</u>	<u>2844</u>	<u>773760</u>

All fixed assets are used in connection with the charitable purposes of the school.

#### Hire purchase and finance lease agreements

Included within the net book value of fixtures, fittings & computer equipment is £3850 (2005 £64813) relating to assets held under hire purchase agreements and £1628 (2005 £2035) relating to assets held under finance lease agreements. The depreciation charges in the period in respect of assets held under hire purchase agreements amounts to £963 (2005 £1203) and £407 (2005 £509) in respect of assets held under finance lease agreements.

<b>7 Stocks</b>	<b>2006</b>	<b>2005</b>
	£	£
Total stock	<u>36709</u>	<u>38169</u>
<b>8 Debtors</b>	<b>2006</b>	<b>2005</b>
	£	£
<b>Due within one year</b>		
Fee debtors	28774	60305
Prepayments and accrued income	<u>32358</u>	<u>29850</u>
	<u>61132</u>	<u>90155</u>

**MOSTYN HOUSE SCHOOL**  
**Notes to the Accounts**  
**for the year ended 31 July 2006 (cont'd)**

9	<b>Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	170564	184256
	Expense creditors	181572	162414
	Other taxes and social security costs	32690	33757
	H P and finance leases	2199	2199
	Other creditor	-	669
	Accruals and deferred income	<u>13986</u>	<u>15434</u>
		<u>401011</u>	<u>398729</u>

The following debts disclosed under creditors falling due within one year are secured:

Bank loans and overdrafts	<u>170564</u>	<u>184256</u>
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The bank loans and overdrafts are secured by legal mortgage dated 29 November 1996 over Mostyn House School and a Mortgage Debenture over all of the company's assets.

10	<b>Creditors: amounts falling due after more than one year</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	174888	230846
	H P and finance leases	<u>1504</u>	<u>4051</u>
		<u>176392</u>	<u>234897</u>

The following debts disclosed under creditors falling due after more than one year are secured:

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>174888</u>	<u>230846</u>

For further details of the security see note 9.

Bank loans and overdrafts are repayable as follows:

	<b>£</b>	<b>£</b>
In one year or less	170564	184256
Between one and two years	14953	56541
Between two and five years	51926	48305
In five years or more	<u>108009</u>	<u>126090</u>
	<u>345452</u>	<u>415102</u>

# MOSTYN HOUSE SCHOOL

## Notes to the Accounts for the year ended 31 July 2006 (cont'd)

11 Reserves	2006 £	2005 £
Unrestricted funds	267272	249622
Restricted funds	<u>74413</u>	<u>54412</u>
	<u>341685</u>	<u>304034</u>
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Movement on reserves</b>		
At 1 August 2005	304034	233349
Surplus for the financial year	<u>37651</u>	<u>70685</u>
At 31 July 2006	<u>341685</u>	<u>304034</u>

### Movement in funds

#### Unrestricted funds: Movements in year

	Balance 1 August 2005 £	Income £	Expended £	Transfers £	Balance 31 July 2006 £
General school fund	238324	2122679	2096026	429	255406
General unrestricted fund	4905	-	-	-	4905
Benefactors fund	6393	568	-	-	6961
	<u>249622</u>	<u>2113247</u>	<u>2096026</u>	<u>429</u>	<u>267272</u>

The unrestricted school funds are held to finance normal fluctuations in working capital.

#### Restricted funds: Movement in year

	Balance 1 August 2005 £	Income £	Expended £	Transfers £	Balance 31 July 2006 £
Bells fund	22785	170	-	-	22955
Organ restoration fund	482	4	-	-	486
Library fund	8588	-	-	(429)	8159
Development fund	<u>22557</u>	<u>65855</u>	<u>(45599)</u>	<u>-</u>	<u>42813</u>
	<u>54412</u>	<u>66029</u>	<u>(45599)</u>	<u>(429)</u>	<u>74413</u>

Mostyn House School is dedicated to providing continued service to both the School community and to the community at large. The purpose of the Development Fund is to provide financial resources for the successful completion of the Griffin Project, the aim of which is to rebuild the current Theatre and Covered Playground to provide a modern, integrated facility for theatrical and sporting activity that will enhance opportunities for pupils of the School and be available for local community usage.

# MOSTYN HOUSE SCHOOL

## Notes to the Accounts for the year ended 31 July 2006 (cont'd)

### 11 Reserves (cont'd)

#### Net Assets of the Funds of the Charity

The charity's net assets belong to the various funds as follows:

	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	Fund Balances £
Unrestricted funds	756448	(312784)	(176392)	267272
Restricted funds	8159	66254	-	74413
Charity	<u>764607</u>	<u>(246530)</u>	<u>(176392)</u>	<u>341685</u>

### 12 Pensions

The Charity participates in a multi employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the Charity.

In accordance with the Teachers' Pension (Amendment) Regulations based on the latest actuarial valuation of the scheme issued in March 2003, the scheme has been attributed with notional assets equal to the actuarial value of the scheme liabilities as at 31 March 2001.

Following this valuation the standard contribution rate was raised from 14.35% to 19.5% from 1 April 2003, 6% to be paid by the teachers and the remaining 13.5% borne by the Charity.

The superannuation charge represents contributions payable to the fund of £120,122 (2005: £120,315).

The school also runs a scheme for its non-teaching staff, which is a defined contributions scheme. The cost for the year represents the schools contributions to the scheme of £9,000 (2005: £8,259).

### 13 Commitments under hire purchase and finance lease agreements

Future commitments under such agreements are as follows:

	2006 £	2005 £
Amounts payable within one year	2542	2542
Amounts payable within two to five years	<u>1768</u>	<u>4330</u>
	4310	6872
Less:		
Finance charges relating to future periods	<u>607</u>	<u>622</u>
	<u>3703</u>	<u>6250</u>

**MOSTYN HOUSE SCHOOL**  
**Notes to the Accounts**  
**for the year ended 31 July 2006 (cont'd)**

**14 Commitments under operating leases**

The company has annual commitments under operating leases to make payments totalling £3,472 in the next year as follows

	2006 £	2005 £
Agreements other than land and building expiring:		
Within one year	-	-
Within two to five years	<u>3472</u>	<u>450</u>
	<u>3472</u>	<u>450</u>

**15 Transactions with Directors**

The following Directors declared interests in contracts with the company in accordance with S317 of the Companies Act 1985 as follows:

- i Miss S M T Grenfell declared her interest in a contract of employment with the school.
- ii R G L Dale-Jones declared his interest as a legal adviser to the school in any contract to be entered into by the school with his firm. The school bought services to the value of £4958 on normal commercial terms from his firm during the year.

**16 Capital commitments**

No capital commitments, either contracted for or approved by the Directors but not contracted for, existed at either 31 July 2006 or 2005.

**17 Contingent liabilities**

No contingent liabilities existed at either 31 July 2006 or 2005.

**18 Related parties**

Miss S M T Grenfell, the current Headmistress, resides on the school's premises. She is responsible for the rates on the part in which she resides. She lives on the premises to provide security during non school hours.

The school has arranged liability cover, at no cost to the individuals concerned, for Directors, Officers, Trustees, Employees, Committee members and members of staff.