

MOSTYN HOUSE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2009

Company No 3079131 (England and Wales)

Registered Charity No 1048117

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MOSTYN HOUSE SCHOOL

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MOSTYN HOUSE SCHOOL

Company Information

Registered Office and principal address	Mostyn House School Parkgate Wirral Cheshire CH64 6SG
Company Number	3079131
Registered Charity Number	1048117
Headmistress	S M T Grenfell
Trustees and Directors	R G L Dale-Jones S M T Grenfell S Burrows C J Allan J Wallace-Jones
Company Secretary	R G L Dale-Jones
Bankers	Barclays Bank Plc Liverpool City Office 4 th Floor 15 – 33 Moorfields Liverpool BX3 2BB 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

The Trustees' Report for the year ended 31 July 2009

The Trustees present their annual report for the year ended 31 July 2009 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 1996.

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. Mrs Julieanne Wallace-Jones was appointed as a Governor on 18 June 2009.

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

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.

MOSTYN HOUSE SCHOOL
The Trustees' Report
for the year ended 31 July 2009 (cont'd)

AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objectives

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 Objectives, 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 for learning. Other major objectives have been to develop further links with the community, to further establish the Study Room and EAL departments as regional centres of excellence, to continue to provide a broad range of extra-curricular and sporting opportunities, and to further refine 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 closer links with feeder schools and local associations such as the Parkgate Society, the continued provision of daily activities during the timetabled day and optional out of school activities, initial preparation for the next ISI inspection; development and enhancement of the 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 V1th 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.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

GCSE results were excellent, with 76% of candidates getting 5 or more GCSEs from A* to C. At A2 results were in line with expectations with all pupils looking to Higher Education being successful in getting places. The highest achiever got AAC.

NFER tests at the end of the Summer Term showed very pleasing improvements in senior pupils' English and Maths, the former being particularly good.

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 academic meetings enabled staff to discuss good practice, particularly in relation to broadening the range of teaching strategies to meet the learning styles of individual pupils. Feedback from parental questionnaires in June 2009 indicated a high level of customer satisfaction.

MOSTYN HOUSE SCHOOL
The Trustees' Report
for the year ended 31 July 2009 (cont'd)

Operational performance of the school (cont'd)

The link with Gayton Primary School continued. The school's Design Technology and Home Economics staff organised a day for Gayton's Year Six pupils to learn to use DT and HE equipment and develop their designing and making skills.

The School continues to allow access to the School's facilities for various community groups and organisations. The Keith Arnold 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.

There were many Library events organised during the year. These included a visit from illustrator, Lynne Chapman, a fancy dress competition for World Book Day, book fairs, readathons and visits to Neston Library.

A very successful Art Open Evening was held in June to showcase both the work of the School and local artists. It is planned to repeat the event.

A Year 12 pupil trains with the junior GB sailing squad and has high hopes for 2012. A Year 11 pupil is on the Women's Tennis circuit. Both pupils have been supported by the School with very flexible teaching arrangements to allow them to attend courses and competitions.

Another pupil (in Year 9) has been signed by Manchester United FC, which the School has supported and facilitated. He is also the Cheshire Schools Champion at 200 metres and Long Jump National ISA Champion. The PE staff work closely with his professional coach.

In Spring 2009 ISA MHS were members of the Cross Country National Championship Team and in March 2009 U14 Air Rifle Team won the Prep Schools Rifle Association National Competition at Bisley. The Senior Boys Athletics Team was ISA North Champions in July 2009.

In addition to all of these achievements the school offered pupils the opportunities to travel overseas with a Spanish trip to Andalucia, go on residential visits (Sixth Form watersports course in Anglesey), develop and practise fieldwork skills in various different subjects, perform on stage, 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.

Fundraising performance

During the year the school received £ 153,654 by way of donations and income of £ 13,478 from fundraising activities.

MOSTYN HOUSE SCHOOL
The Trustees' Report
for the year ended 31 July 2009 (cont'd)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

For the academic year 2008/2009 the School generated a small surplus but in spite of efforts to recruit additional pupils and reduce costs during the 2009/2010 year, the School has faced a growing deficit. The economic climate has forced many parents to rethink their priorities and a number of current parents have struggled to meet their fee commitments. During the 2009/2010 academic year pupil numbers dropped to 110 from 160 in the previous year. The forecast for 2010/2011 is for an even smaller school.

FUTURE PLANS

It was with huge regret that at their meeting on the 24th May 2010 the Directors resolved to inform parents and staff that unless there was a significant change in the financial status of the School, it would close at the end of the current (2009/2010) academic year. The School has received generous financial support from benefactors to enable it to continue operating through to the end of the year, to see pupils through their exam programmes, whilst looking for a sustainable solution to the reduced pupil numbers. Unfortunately no resolution to the problem has been found and all other avenues have not proved to be fruitful. As a result it is likely that in July the School will close its doors for the last time after 156 years of providing an excellent education for generations of children.

ACCOUNTING BASIS

The Directors consider that it is appropriate to prepare the Accounts on a going concern basis to show the financial position as at 31 July 2009. At that time there was no suggestion that the School would have to close and indeed a budget had been prepared based on projected pupil numbers which show that the School could trade at least until 31 July 2010.

However, as is the case with all independent schools, it is only in September that the actual numbers attending the School can be ascertained with certainty. The numbers attending the School in September 2009 showed that the School was no longer viable and the Directors called in insolvency practitioners to advise. With the aid of substantial financial support from the Grenfell family, a solution was found to enable the School to carry on trading until the end of the current academic year.

The aim of this was to enable pupils to complete their public exams, to see if it was possible to ride out the recession, to explore alternative solutions and, if all else failed, to ensure an orderly wind down of the School. Sadly, the recession has not abated and no alternative solution has been found which has led the Directors to make the announcement of probable closure at the end of the School year.

Because of the probable closure, the Directors have inserted a note to the Accounts showing an alternative balance sheet on a "break-up" basis as at 31 July 2009. The Directors consider that these accounts taken as a whole give a true and fair view of the School's affairs as at 31 July 2009 and as at the date of signing the accounts in accordance with the Companies Act 2006.

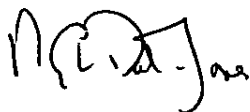
MOSTYN HOUSE SCHOOL
The Trustees' Report
for the year ended 31 July 2009 (cont'd)

AUDITORS

The Auditors, Kemp & Co, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006 at the Annual General Meeting

SMALL COMPANY EXEMPTION

This report, which has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, was approved by the Trustees on 24 May 2010 and signed on its behalf by



R G L Dale – Jones
Company Secretary & Trustee

MOSTYN HOUSE SCHOOL
Statement of Trustees' 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 2006. 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 and Trustees of Mostyn House School

We have audited the accounts of Mostyn House School for the year ended 31 July 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages 10 to 20. The accounts have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 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 Trustees and Auditors

The trustees', who are also directors of the company for the purposes of company law, responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the accounts give a true and fair view are set out in the Statement of Trustees' Responsibilities

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you in our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those accounts

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records. If the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made

We read the Trustees' Annual report and consider the implications for our report if we become aware of any apparent misstatements within it

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 accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts

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MOSTYN HOUSE SCHOOL

**Independent Auditors' Report to the Members and
Trustees of Mostyn House School (cont'd)**

Adverse opinion on accounts.

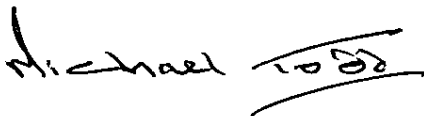
As described in the Trustees Report, the School has suffered a substantial reduction in the number of pupils since the year end. The Directors, who are also the School's Trustees, decided at their meeting on 24 May to inform parents and staff that unless there was a significant change in the financial status of the School that it would close at the end of the current academic year.

These accounts have been prepared on a going concern basis, the validity of which is in doubt, and the situation noted above indicates the existence of a material uncertainty which casts significant doubt on the charity's ability to realise its assets and discharge its liabilities as and when they fall due. Note 18 to the accounts details the Balance Sheet of the School at 31 July 2009 on a 'break up' basis which indicates a material reduction in net assets of £911,196 from that prepared on a going concern basis.

In our opinion, because of the significance of the matters referred to above, the accounts do not give a true and fair view, in accordance with United Kingdom Accepted Accounting Practice, of the state of the Charity's affairs as at 31 July 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended.

In all other respects the accounts have been properly prepared in accordance with the Companies Act 2006 and the Charities Act 1993.

Notwithstanding our adverse opinion on the accounts, in our opinion the information given in the Trustees' Annual Report is consistent with the accounts.



Michael Todd (Senior statutory auditor)
for and on behalf of Kemp & Co
Statutory Auditors and Chartered Accountants
202 Cotton Exchange Building
Old Hall Street
Liverpool
L3 9LQ

24 May 2010

MOSTYN HOUSE SCHOOL

Statement of Financial Activities for the year ended 31 July 2009

	Notes	Unrestricted Funds	Restricted Funds	2009 Total Funds	2008 Total Funds
		£	£	£	£
INCOMING RESOURCES					
Income from Charitable Activities					
School Fees receivable		1,660,950	-	1,660,950	1,917,131
Registration fees		-	-	-	-
Other income		2,104	-	2,104	1,501
Incoming Resources from Generated Funds					
Activities for generating funds		13,423	55	13,478	26,672
Investment income		274	249	523	1,660
Donations		<u>150,281</u>	<u>3,373</u>	<u>153,654</u>	<u>11,469</u>
Total incoming resources		<u>1,827,032</u>	<u>3,677</u>	<u>1,830,709</u>	<u>1,958,433</u>
RESOURCES EXPENDED					
Charitable Activities					
School operating costs		1,807,718	1,479	1,809,197	1,861,673
Costs of generating funds					
Costs of generating voluntary income		1,000	-	1,000	3,305
Bank & other interest	5	10,918	-	10,918	14,862
Governance costs		<u>6,450</u>	<u>-</u>	<u>6,450</u>	<u>10,000</u>
Total resources expended	4	<u>1,826,086</u>	<u>1,479</u>	<u>1,827,565</u>	<u>1,889,840</u>
Net incoming resources before transfer					
		946	2,198	3,144	68,593
Transfers between funds		<u>369</u>	<u>(3,693)</u>	<u>-</u>	<u>-</u>
Net incoming resources		1,315	(1,495)	3,144	68,593
Fund balances brought forward at 1 August 2008		<u>390,097</u>	<u>90,708</u>	<u>480,805</u>	<u>412,212</u>
Fund balance carried forward at 31 July 2009		<u>391,412</u>	<u>89,213</u>	<u>483,949</u>	<u>480,805</u>

The notes on pages 12 to 20 form part of these financial statements

MOSTYN HOUSE SCHOOL

Balance Sheet as at 31 July 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	6		692,067		720,133
Current assets					
Stocks	7	16,995			32,056
Debtors	8	87,734			59,259
Cash at bank and in hand		<u>76,588</u>			<u>73,414</u>
		181,317			164,729
Creditors: amounts falling due within one year	9	<u>262,504</u>			<u>259,122</u>
Net current liabilities			<u>(81,187)</u>		<u>(94,393)</u>
Total assets less current liabilities			610,880		625,740
Creditors: amounts falling due after more than one year	10		<u>(126,931)</u>		<u>(144,935)</u>
Net assets			<u>483,949</u>		<u>480,805</u>
Financed by:					
Reserves	11		<u>483,949</u>		<u>480,805</u>

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small company regime within Part 15 of the Companies Act 2006 were approved by the Board on 24 May 2010 and signed on its behalf by



R G L Dale-Jones
Trustee

The notes on pages 12 to 20 form part of these financial statements

MOSTYN HOUSE SCHOOL
Notes to the Accounts
for the year ended 31 July 2009

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 Trustees' and Directors Report and all of which are continuing

The accounts are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005

The Directors consider that it is appropriate to prepare the Accounts on a going concern basis to show the financial position as at 31 July 2009

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 2009 (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	10-20% reducing balance
Computer equipment	20% straight line
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 2009 (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	2009	2008
	£	£
Wages & salaries	1,291,306	1,335,928
Social security costs	96,149	100,212
Other pension costs	<u>131,270</u>	<u>128,711</u>
	<u>1,518,725</u>	<u>1,564,851</u>

The average number of full and part-time staff employed by the school during the year was 74 (2008 80).

3 Director's emoluments

The Director's emoluments, including pensions and benefits in kind were	2009	2008
	£	£
Emoluments of Executive Directors	<u>42,417</u>	<u>60,481</u>

During the year, retirement benefits were accruing to 1 director (2008 - 1) in respect of a defined benefit pension scheme.

MOSTYN HOUSE SCHOOL
Notes to the Accounts
for the year ended 31 July 2009 (cont'd)

4 Expenditure – Analysis of Total Resources Expended

	Staff Costs £	Other £	Depreci ation £	Total £
Direct Charitable Expenditure				
Teaching costs	1,107,100	67,419	11,145	1,185,664
Welfare	117,273	(13,466)	-	103,807
Premises	60,161	144,463	15,572	220,196
Support cost for schooling	<u>245,857</u>	<u>48,801</u>	<u>5,872</u>	<u>299,530</u>
	1,529,391	247,217	32,589	1,809,197
Cost of generating funds				
Costs of generating voluntary income	-	1,000	-	1 000
Bank and other interest	-	10,918	-	10,918
Governance costs	<u>1,000</u>	<u>5,450</u>	<u>-</u>	<u>6,450</u>
	<u>1,530,391</u>	<u>264,585</u>	<u>32,589</u>	<u>1,827,565</u>

Expenditure – Other disclosures

	2009 £	2008 £
Charitable expenditure includes		
Loss on disposal of fixed assets	458	2
Hire of plant & machinery	13,041	9,890
Depreciation	32,589	40,767
Directors and officers liability insurance costs	1,418	2,100
Governance costs include		
Auditors' remuneration - for audit services	5,000	7,000
- for other services	450	2,000

5 Interest payable

	2009 £	2008 £
On bank loans & overdrafts		
Repayable within 5 years not by instalments	1,407	2,394
Repayable within 5 year by instalments	-	-
Repayable wholly or partly in more than 5 years	<u>9,511</u>	<u>12,468</u>
	<u>10,918</u>	<u>14,862</u>

MOSTYN HOUSE SCHOOL
Notes to the Accounts
for the year ended 31 July 2009 (cont'd)

6 Tangible fixed assets

	Long Leasehold Properties	Leasehold Improvements	Fixtures, Fittings & Computer Equipment	Swimming Pool	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 August 2008	400,000	395,022	366,580	213,440	23,487	1,398,529
Additions	-	-	4,981	-	-	4,981
Disposals	-	-	(3,213)	-	-	(3,213)
At 31 July 2009	<u>400,000</u>	<u>395,022</u>	<u>368,348</u>	<u>213,440</u>	<u>23,487</u>	<u>1,400,297</u>
Depreciation						
At 1 August 2008	109,326	207,520	286,216	61,014	14,320	678,396
Charge	4,040	9,376	11,145	2,156	5,872	32,589
Relating to disposals	-	-	(2,755)	-	-	(2,755)
At 31 July 2009	<u>113,366</u>	<u>216,896</u>	<u>294,606</u>	<u>63,170</u>	<u>20,192</u>	<u>708,230</u>
Net Book Value						
At 31 July 2009	<u>286,634</u>	<u>178,126</u>	<u>73,742</u>	<u>150,270</u>	<u>3,295</u>	<u>692,067</u>
At 31 July 2008	<u>290,674</u>	<u>187,502</u>	<u>80,364</u>	<u>152,426</u>	<u>9,167</u>	<u>720,133</u>

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

7 Stocks	2009	2008
	£	£
Total stock	<u>16,995</u>	<u>32,056</u>
8 Debtors	2009	2008
	£	£
Due within one year		
Fee debtors	47,693	22,858
Prepayments and accrued income	<u>40,041</u>	<u>36,401</u>
	<u>87,734</u>	<u>59,259</u>

MOSTYN HOUSE SCHOOL

Notes to the Accounts for the year ended 31 July 2009 (cont'd)

9	Creditors: amounts falling due within one year	2009	2008
		£	£
	Bank loans and overdrafts	116,920	62,197
	Expense creditors	100,652	147,112
	Other taxes and social security costs	30,286	34,342
	H P and finance leases	-	-
	Accruals and deferred income	<u>14,466</u>	<u>15,471</u>
		<u>262,504</u>	<u>259,122</u>

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

Bank loans and overdrafts	<u>116,920</u>	<u>62,197</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	Creditors: amounts falling due after more than one year	2009	2008
		£	£
	Bank loans and overdrafts	126,931	144,935
	H P and finance leases	<u>-</u>	<u>-</u>
		<u>126,931</u>	<u>144,935</u>

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

	2009	2008
	£	£
Bank loans and overdrafts	<u>126,931</u>	<u>144,935</u>

For further details of the security see note 9

Bank loans and overdrafts are repayable as follows

	£	£
In one year or less	116,920	62,197
Between one and two years	18,574	17,278
Between two and five years	64,500	59,942
In five years or more	<u>43,856</u>	<u>67,715</u>
	<u>243,850</u>	<u>207,132</u>

MOSTYN HOUSE SCHOOL

Notes to the Accounts for the year ended 31 July 2009 (cont'd)

11 Reserves	2009	2008
	£	£
Unrestricted funds	391,412	390,097
Restricted funds	<u>92,537</u>	<u>90,708</u>
	483,949	480,805
	2009	2008
	£	£
Movement on reserves		
At 1 August 2008	480,805	412,212
Surplus for the financial year	<u>3,144</u>	<u>68,593</u>
At 31 July 2009	483,949	480,805

Movement in funds

Unrestricted funds: Movements in year

	Balance 1 August 2008	Income	Expended	Transfers	Balance 31 July 2009
	£	£	£	£	£
General school fund	378,776	2,037,514	2,037,499	369	379,160
General unrestricted fund	4,904	-	-	-	4,904
Benefactors fund	<u>6,417</u>	<u>931</u>	<u>-</u>	<u>-</u>	<u>7,348</u>
	390,097	2,038,445	2,037,499	369	391,412

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

Restricted funds: Movement in year

	Balance 1 August 2008	Income	Expended	Transfers	Balance 31 July 2009
	£	£	£	£	£
Bells fund	23,474	142	-	-	23,616
Organ restoration fund	499	2	-	-	501
Library fund	7,372	-	-	(369)	7,003
Development Fund	54,287	2,619	(25)	-	56,881
Shooting Activity Fund	-	914	(669)	-	245
Cochrane fund	<u>5,076</u>	<u>-</u>	<u>(785)</u>	<u>-</u>	<u>4,291</u>
	90,708	3,677	(1,479)	(369)	92,537

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. The Cochrane Fund exists to enhance the provision and opportunity for sporting excellence. The Shooting Activity Fund exists to provide shooting equipment for pupils of the School.

MOSTYN HOUSE SCHOOL
Notes to the Accounts
for the year ended 31 July 2009 (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	685,244	(166,901)	(126,931)	391,412
Restricted funds	<u>6,823</u>	<u>85,714</u>	<u>-</u>	<u>92,537</u>
Charity	<u>692,067</u>	<u>(81,187)</u>	<u>(126,931)</u>	<u>483,949</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 at 31 March 2004, the scheme has been attributed with notional assets less than the actuarial value of the scheme liabilities at that date of £ 1,840 million.

Following this valuation the standard contribution rate was raised from 19.5% to 20.5% from 1 January 2007, 6.4% to be paid by the teachers and the remaining 14.1% to be borne by the Charity.

The superannuation charge represents contributions payable to the fund of £125,284 (2008: £122,727).

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 £5,986 (2008: £5,984).

13 Commitments under operating leases

The company has annual commitments under operating leases to make payments totalling £13,166 in the next year as follows:

	2009 £	2008 £
Agreements other than land and building expiring		
Within one year	-	-
Within two to five years	<u>13,166</u>	<u>13,166</u>
	<u>13,166</u>	<u>13,166</u>

14 Transactions with Directors

The following Directors declared interests in contracts with the company in accordance with S182 of the Companies Act 2006 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 £2,641 on normal commercial terms from his firm during the year.

MOSTYN HOUSE SCHOOL
Notes to the Accounts
for the year ended 31 July 2009 (cont'd)

15 Capital commitments

Capital commitments contracted for amounted to £ - (2008 £ 4,982) existed at the year end. No amounts had been approved by the Directors but not contracted for, at either 31 July 2009 or 2008.

16 Contingent liabilities

A contingent liability of £ 211,000 exists at 31 July 2009 in respect of redundancy costs due to staff. No contingent liabilities existed at 31 July 2008.

17 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. In addition she has provided £ 26,000 by way of donation to the school during the year.

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

18 Post balance sheet event

As further described in the Trustees' Report, the Directors resolved that unless there was a significant change in the financial status of the school that it would close at the end of the current academic year.

The Balance Sheet included on page 10 of these accounts is prepared on the going concern basis which assumes that the School will continue trading in the future. Had the accounts at 31 July 2009 been prepared on the 'break up' basis the Balance Sheet of the School would be as follows:

	£	£
Fixed assets		
Tangible assets		9,500
Current assets		
Stocks	100	
Debtors	87,734	
Cash at bank and in hand	<u>76,588</u>	
	164,422	
Creditors: amounts falling due within one year	<u>474,238</u>	
Net current liabilities		(309,816)
Total assets less current liabilities		(300,316)
Creditors: amounts falling due after more than one year		(126,931)
Net liabilities		(427,247)
Financed by:		
Unrestricted funds		(512,781)
Restricted funds		<u>85,534</u>
		(427,247)