

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1999



GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)
COMPANY INFORMATION

Directors

Mr M. Rutherford	
Mr J.J. Holder	
Mr B. Jermy	<i>Resigned 26/11/98</i>
Mr B. Woodcock	
Mr P.M. Pinegar	
Mr D. Ackroyd	<i>Resigned 26/11/98</i>
Mr R.H.E. Waters	<i>Resigned 26/11/98</i>
Mr T.E. Dale	
Mr P. Sakal	<i>Appointed 26/11/98</i>

The Board of Governors

Members of the Council of Gosfield School:	
Mr P.M. Pinegar	
Mr M. Rutherford	
Mr J.J. Holder	
Mr B. Woodcock	
Mr P Sakal	<i>Appointed 26/11/98</i>

Representatives of the Old
Gosfieldians Association:

Mr B. Jermy	<i>Resigned 26/11/98</i>
Mr D. Ackroyd	<i>Resigned 26/11/98</i>

Representatives of the Parents:

Ms J. Miller	
Mr R. Gardner	<i>Resigned 26/11/98</i>
Mrs M. Crossman	<i>Appointed 26/11/98</i>

Secretary

Mr M.G. Gage

Company Number

898640

Registered Office

Halstead Road
Gosfield
Essex
CO9 1PF

Auditor

A J Press, FCCA
Cambridge House
27 Cambridge Park
Wanstead
London
E11 2PU

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GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 1999

The governors present their report together with the audited accounts for the year ended 31st August 1999.

Governors' Responsibilities

Company law requires the governors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the governors 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;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal Activity

The principal activity of the company is the operation of junior and senior schools.

Charities Accounts Format

The Charity Commissioners for England and Wales issued a Statement of Recommended Practice (SORP) setting out recommendations on the way charities should report their accounts. These accounts have been prepared in this recommended format.

Results and Dividends

Net outgoing resources for the year 31 August 1999 amounted to £26,685 (1998, £79,883).

No dividends are payable in accordance with the company's charitable status.

Review of the Year and Future Developments

During the last academic year, the governors are pleased to report that the school has achieved good academic, musical, artistic and sporting results. They are satisfied that an excellent overall standard of education continues to be maintained and improved upon, year on year.

At Gosfield School, many improvements have been made, which has raised the expectations of new and existing parents. The school is presently updating its existing policies and introducing new policies and procedures over the next six months, which will be completed by September, 2000.

An independent school inspection will take place in the spring term of 2001 and the school is preparing for this, ensuring that all criteria needed for a successful inspection is achieved.

In March, the school was inspected by Essex Social Services, who warmly acknowledged the pastoral care policies and the quality of the boarding accommodation.

As part of its policy to provide the best educational standards, the Board of Governors reaffirms its commitment to make, where appropriate, financial assistance to those parents in need, by way of bursary awards and concessionary fee allowances.

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 1999

Governors

The governors who served during the year were:

Mr M. Rutherford
Mr J.J. Holder
Mr B. Jermy (resigned 26/11/98)
Mr B. Woodcock
Mr P.M. Pinegar
Mr D. Ackroyd (resigned 26/11/98)
Mr R.H.E. Waters (resigned 26/11/98)
Mr T.E. Dale
Mr P. Sakal (appointed 26/11/98)
Ms J. Miller
Mr R. Gardner (resigned 26/11/98)
Mrs M. Crossman (appointed 26/11/98)

Fixed Assets

The net book value of leasehold property included in fixed assets amounted to £343,368. The leasehold property has, in the opinion of the governors, an open market value in excess of book value, but they do not consider that the cost of a professional valuation is justified.

Year 2000 Compliance

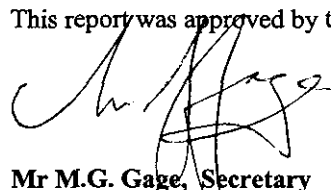
As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

Auditors

A resolution to reappoint A.J. Press FCCA as auditor will be put to the members at the Annual General Meeting.

This report was approved by the board on *7th Aug 1999*, and signed on its behalf.



Mr M.G. Gage, Secretary

Date: _____

**AUDITOR'S REPORT TO THE
SHAREHOLDERS OF GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**

I have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditor

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards 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 directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of the information in the accounts.

Going Concern

In forming my opinion, I have considered the adequacy of the disclosures made in note 1 concerning the company's loss in the year of £9,968 (1998, £79,883), net current liabilities of £556,386 (1998, £526,057), and deficit on total funds of £180,815 (1998, £149,768).

These financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence in the near future. The validity of this assumption depends on the continuing support of the creditors and the company's ability to produce profits and positive cashflows through its activities. These financial statements do not include any adjustments that would be necessary if these conditions were not to arise. As such, I consider that these disclosures should be brought to your attention. My opinion is not qualified in this respect.

Opinion

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 31st August 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A J Press, FCCA
Registered Auditor
Cambridge House
27 Cambridge Park
Wanstead
London
E11 2PU

Date: 9th August 2000

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST AUGUST 1999**

	Notes	1999 £	1998 £
Turnover	2	1,054,584	880,939
Cost of Sales		815,762	732,966
Gross Profit		238,822	147,973
Administrative Expenses		214,182	195,278
		24,640	(47,305)
Other operating income		6,039	5,243
Operating Profit/Loss	3	30,679	(42,062)
Interest Receivable		12	47
Interest Payable and Similar Charges	4	(40,659)	(37,868)
Loss on Ordinary Activities before Taxation		(9,968)	(79,883)
Tax on loss on ordinary activities		-	-
Loss for the Financial Year	13	(9,968)	(79,883)

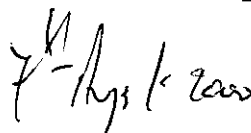
All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

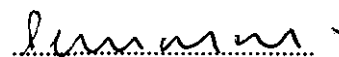

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**BALANCE SHEET****AS AT 31ST AUGUST 1999**

	Notes	£	1999 £	1998 £
Fixed Assets				
Tangible assets	6		388,802	400,971
Current Assets				
Stocks	7	6,010		9,449
Debtors	8	32,931		40,015
Cash at bank and in hand		70,894		40,672
		<u>109,835</u>		<u>90,136</u>
Creditors: Amounts Falling Due Within One Year	9	<u>666,221</u>		<u>616,193</u>
Net Current Liabilities			<u>(556,386)</u>	<u>(526,057)</u>
Total Assets Less Current Liabilities			<u>(167,584)</u>	<u>(125,086)</u>
Creditors: Amounts Falling Due After More Than One Year	10		<u>13,231</u>	<u>24,682</u>
			<u>(180,815)</u>	<u>(149,768)</u>
Capital and Reserves				
Revaluation reserve	13		-	21,079
Profit and loss account	13		<u>(180,815)</u>	<u>(170,847)</u>
Total Funds	15		<u>(180,815)</u>	<u>(149,768)</u>

These accounts were approved by the board on



and signed on its behalf.


Mr P. Sakal
Director
Mr J.J. Holder
Director

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1999

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Going Concern

During the year, the company incurred a loss of £9,968 (1998, £79,883). At the balance sheet date, it has net current liabilities of £556,386 (1998, £526,057) and a deficit on total funds amounting to £180,815 (1998, 149,768).

These financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence in the near future. The validity of this assumption depends on the continuing support of the creditors and the company's ability to produce profits and positive cashflows through its activities. These financial statements do not include any adjustments that would be necessary if these conditions were not to arise.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	25% reducing balance
Computer and electronic equipment	3 years straight line
Fixtures and fittings	20% reducing balance
Leasehold improvements	Over the shorter of the life of the asset and the term of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 1999**

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

Turnover is attributable to the principal activity of the company.

3 Operating Profit

<i>The operating profit is arrived at after charging or crediting:</i>	1999	1998
	£	£
Depreciation of owned assets	30,745	32,416
Amortisation of intangible fixed assets	(15,627)	-
Hire of equipment	16,687	8,622
Auditor's remuneration - non audit work	12,371	-
Auditor's remuneration	3,525	3,526

4 Interest Payable and Similar Charges

	1999	1998
	£	£
Bank overdrafts and loans	38,418	36,274
Finance leases and hire purchase contracts	2,241	1,594
	40,659	37,868

5 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1999	1998
	£	£
Wages and salaries	593,363	518,268
Social security costs	30,527	38,181
Other pension costs	38,662	24,041
	662,552	580,490

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 1999****6 Tangible Fixed Assets**

	Motor Vehicles	Furniture and Equipment	Leasehold Improve- ments	Total
Cost or valuation	£	£	£	£
At 1st September 1998	46,428	191,322	485,535	723,285
Additions	-	24,339	-	24,339
Disposals	(19,958)	-	-	(19,958)
Revalued assets written-back to cost	-	(21,079)	-	(21,079)
At 31st August 1999	26,470	194,582	485,535	706,587
Depreciation				
At 1st September 1998	27,624	162,061	132,629	322,314
Charge for the year	4,623	16,584	9,538	30,745
Disposals	(19,647)	-	-	(19,647)
Accumulated depreciation on revalued assets written-back	-	(15,627)	-	(15,627)
At 31st August 1999	12,600	163,018	142,167	317,785
Net Book Value				
At 31st August 1999	13,870	31,564	343,368	388,802
<i>At 31st August 1998</i>	<i>18,804</i>	<i>29,261</i>	<i>352,906</i>	<i>400,971</i>

Assets held under finance leases originally cost £42,217 (1998: £25,024) and have a net book value of £32,665 (1998: £20,109).

7 Stocks	1999	1998
	£	£
Finished goods	6,010	9,449
	6,010	9,449
8 Debtors	1999	1998
	£	£
Trade debtors	19,620	16,843
Other debtors	2,424	21,339
Prepayments and accrued income	10,887	1,833
	32,931	40,015

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 1999**

9	Creditors: Amounts Falling Due Within One Year	1999	1998
		£	£
	Other loans due within one year (Note 11)	10,600	10,600
	Bank loans and overdrafts (Note 11)	513,349	510,368
	Obligations under hire purchase and finance lease contracts (Note 12)	10,606	5,086
	Payments received on account	51,654	48,917
	Trade creditors	10,902	13,613
	Other taxes and social security	14,757	12,956
	Other creditors	36,428	14,653
	Accruals and deferred income	17,925	-
		<u>666,221</u>	<u>616,193</u>
10	Creditors: Amounts Falling Due After One Year	1999	1998
		£	£
	Bank loans and overdrafts (Note 11)	5,865	19,586
	Obligations under hire purchase and finance lease contracts (Note 12)	7,366	4,510
	Accruals and deferred income	-	586
		<u>13,231</u>	<u>24,682</u>
The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.			
11	Loans	1999	1998
		£	£
	Amounts repayable:		
	In one year or less, or on demand	523,949	520,968
	Between one and two years	5,865	19,586
		<u>529,814</u>	<u>540,554</u>
12	Obligations Under Hire Purchase and Finance Leases	1999	1998
		£	£
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	10,606	5,086
	Obligations due between one and five years	7,366	4,510
		<u>17,972</u>	<u>9,596</u>

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 1999****13 Reserves**

	Revaluation Reserve	Profit and Loss Account
	£	£
At 1st September 1997	21,079	(90,964)
Loss for the year	-	(79,883)
At 1st September 1998	21,079	(170,847)
Loss for the year	-	(9,968)
Revaluation written-back in accordance with FRS 15	(21,079)	-
At 31st August 1999	-	(180,815)

14 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £38,662 (1998 £24,041).

15 Reconciliation of Total Funds

	1999 £	1998 £
Loss for the financial year	(9,968)	(79,883)
Revalued fixed assets written-back to cost	(21,079)	-
Decrease in total funds	(31,047)	(79,883)
Opening total funds	(149,768)	(69,885)
Closing total funds	(180,815)	(149,768)

16 Control

Throughout the year, the company was controlled by the governors.

GOSFIELD SCHOOL LIMITED (CHARITY NUMBER: 310871)**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST AUGUST 1999**

	General fund	
	1999	1998
	£	£
Income and Expenditure		
Incoming Resources		
Donations	45,818	6,895
Income from school trading activities:		
Fees	927,698	834,230
Events	2,069	4,173
Other	78,999	35,641
Rents receivable	6,039	5,243
Bank deposit interest	12	47
Total Incoming Resources	1,060,635	886,229
Resources Expended		
Direct charitable expenditure	815,762	732,966
Management and administration of the charity	214,182	195,278
Interest payable	40,659	37,868
Total Resources Expended	(1,070,603)	(966,112)
Net Outgoing Resources for the Year	(9,968)	(79,883)
Other Recognised Gains and Losses		
Revaluation reserve written-back	(21,079)	
Net Movement in Funds	(31,047)	(79,883)
Fund balance brought forward at 1 September 1998	(149,768)	(69,885)
Fund balance carried forward at 31 August 1999	(180,815)	(149,768)

The application of the general fund is unrestricted. The general fund represents the total funds of the charity, and no other designated or restricted funds exist.

A more detailed analysis of incoming and expended resources is provided in the management profit and loss account on pages 12 and 13.