

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2000



THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
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FOR THE YEAR ENDED 31ST JULY 2000

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THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
OFFICERS AND FINANCIAL ADVISERS

GOVERNORS	T.O. Lohne P. Landberg T. Arntsen
SECRETARY	Betty Bailey Jenny-Karin Shury
SCHOOL ADDRESS	28 Arterberry Road Wimbledon London SW20 8AH
REGISTERED OFFICE	Pinnacle House 17-25 Hartfield Road London SW19 3SE
AUDITORS	Windsor Stebbing Marsh Pinnacle House 17-25 Hartfield Road London SW19 3SE
BANKERS	Royal Bank of Scotland PLC Lombard City Office 67 Lombard Street London EC3P 3DL
REGISTERED CHARITY NUMBER	282358
COMPANY NUMBER	1552721

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
BOARD OF GOVERNORS' REPORT
FOR THE YEAR ENDED 31ST JULY 2000

The Board of Governors submit their annual report and the audited financial statements of the school for the year ended 31st July 2000.

PRINCIPAL ACTIVITIES AND OBJECTIVES

The Norwegian School in London Limited was established on 25 March 1981 under the Companies Acts 1948 to 1980 as a private company limited by guarantee and registered as a charity to promote the advancement of education of Norwegian children in the United Kingdom.

The aim of the company is to provide its pupils with good, constructive tutoring in accordance with the Norwegian educational regulations and curriculum in a secure environment through the combined efforts and contributions of teachers, pupils and parents.

The company provides education for children aged from three to sixteen years old at the schools premises in Wimbledon in accordance with Norwegian educational regulations and following the Norwegian educational curriculum.

The company is financed by grants from the Norwegian Government and fees levied in respect of pupils, as well as donations from parents and others connected with the school.

REVIEW OF THE BUSINESS

During the year 76 pupils (1999 - 112) attended the school and 30 children (1999 - 33) attended the kindergarten in Wimbledon and 19 pupils (1999 - 19) were tutored at High Wycombe.

The average number of staff were 29: Teaching: 24, Administration: 5.

The fall in the number of pupils attending the school has resulted in a decrease in fees income of £241,581, and a reduction in grants from the Norwegian government of £26,750. 10 of the pupils had a free place with grant income.

Staff costs fell by £65,478 and amounted to 76% of the total cost. The comparably high staff cost is partly due to long periods of sick leave and partly due to the unforeseen fall in pupil numbers.

The surplus for the year is £15,833.

The school fees were £6,300 for the school, £6,800 for Danish children in the school and £4,800 for the kindergarten.

We wish to thank the parents association for their donation of £1,500.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
BOARD OF GOVERNORS' REPORT
FOR THE YEAR ENDED 31ST JULY 2000

FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the accounts.

As stated in note 9, the governors have assessed the value of the freehold buildings as comprising one fifth of the total original cost of acquiring the freehold property. All subsequent amounts capitalised as freehold property comprise freehold building costs.

In the opinion of the Board the market value of the freehold property is significantly in excess of the net book value of £883,295. A valuation made in Spring 1998 indicated that the value of the freehold property at that date was approximately £1,000,000. A further valuation is to be undertaken now that the current building works are complete.

MEMBERS OF THE BOARD OF GOVERNORS

The following served on the Board of Governors and as directors of the company during the year:

	Date of appointment	Date of resignation
T.O. Lohne	28 November 1995	
P. Landberg	1 November 2000	
T. Arntsen	1 November 2000	
S.A. Berge	7 October 1996	1 November 2000
N. Vabo	6 October 1999	1 November 2000

None of the directors had any interest in the equity share capital of the company.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
BOARD OF GOVERNORS' REPORT
FOR THE YEAR ENDED 31ST JULY 2000

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the governors are required to:

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Make judgements and estimates that are reasonable and prudent; and
- (iii) Prepare the financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 1985.

The governors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that Messrs. Windsor Stebbing Marsh will be invited to tender a fixed price quote for auditing the accounts for the year 2000/2001 which will be put to the members at the Annual General Meeting.

For and on behalf of the Board of Governors on 30 March 2001



Jenny-Karin Shury

Secretary

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 4 the governors as the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the governors 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 irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st July 2000 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Windsor Stebbing Marsh

1 May 2001

Windsor Stebbing Marsh
Chartered Accountants
and Registered Auditor

Pinnacle House
17-25 Hartfield Road
London
SW19 3SE

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY 2000

	Notes	Unrestricted Fund £	2000 Restricted Fund £	Total Funds £	1999 Total Funds £
INCOMING RESOURCES					
Fees received and receivable		559,149	-	559,149	801,515
Less: received in advance		-	-	-	(785)
Fees receivable	2	559,149	-	559,149	800,730
Grants receivable	2	348,274	-	348,274	374,844
Donations	2	-	1,500	1,500	7,750
Other income	2	868	-	868	841
Investment income	6	10,425	-	10,425	2,965
TOTAL INCOMING RESOURCES		918,716	1,500	920,216	1,187,130
RESOURCES EXPENDED					
Direct charitable expenditure					
Staff costs	4	626,162	-	631,326	696,804
Educational supplies		48,568	-	48,568	75,964
Establishment costs		50,316	-	50,316	86,876
Other operating costs		28,120	-	28,120	24,162
Finance costs		37,442	-	37,442	974
Depreciation		17,698	18,796	36,494	25,732
		(808,306)	(18,796)	(832,266)	(910,512)
Management and administration of the charity					
Staff costs	4	67,987	-	62,823	62,823
Auditors fees	3	9,294	-	9,294	10,097
		(77,281)	-	(72,117)	(72,920)
TOTAL RESOURCES EXPENDED		(885,587)	(18,796)	(904,383)	(983,432)
NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS					
		33,129	(17,296)	15,833	203,698
Transfers between funds		(53,202)	53,202	-	-
NET MOVEMENT IN FUNDS	15	£ (20,073)	£ 35,906	£ 15,833	£ 203,698

There were no movements on the restricted fund during the year other than as shown above.

The notes on pages 9 to 16 form part of these financial statements.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
INCOME	2	909,791	1,184,165
ADMINISTRATIVE EXPENSES		(882,478)	(964,661)
OPERATING SURPLUS	3	27,313	219,504
Interest receivable	6	10,425	2,965
Interest payable	7	(21,905)	(18,771)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		15,833	203,698
Tax on surplus on ordinary activities	8	-	-
RETAINED SURPLUS FOR THE YEAR	15	£ 15,833	£ 203,698

There were no recognised gains or losses other than those passing through the income and expenditure account.

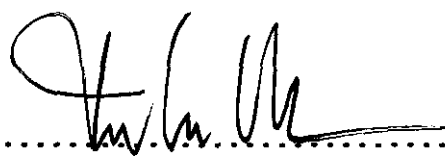
The notes on pages 9 to 16 form part of these financial statements.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
BALANCE SHEET
AS AT 31ST JULY 2000

	<u>Note</u>	£	<u>2000</u> £	£	<u>1999</u> £
FIXED ASSETS					
Tangible assets	9		942,685		903,845
CURRENT ASSETS					
Debtors	10	65,035		47,762	
Cash at bank and in hand		227,149		286,748	
		<u>292,184</u>		<u>334,510</u>	
CREDITORS - amounts falling due within one year	11	(92,632)		(95,101)	
NET CURRENT ASSETS			<u>199,552</u>		<u>239,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,142,237		1,143,254
CREDITORS - amounts falling due after more than one year	12		(294,875)		(311,725)
NET ASSETS			<u>£ 847,362</u>		<u>£ 831,529</u>
SCHOOL FUNDS					
Restricted fund	13		571,572		535,666
Unrestricted fund	14		275,790		295,863
			<u>£ 847,362</u>		<u>£ 831,529</u>

These financial statements were approved by the Board of Governors on 30 March 2000

Signed for and on behalf of the Board of Governors

T.O. Lohne..........Governor

The notes on pages 9 to 16 form part of these financial statements.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2000

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the governors' report, all of which are continuing.

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

1.2 Income

Income, other than donations and transport grants, is included on the basis of amounts receivable in the financial year. Donations and transport grants are accounted for when received.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings: 2% per annum on cost
Fixtures and fittings: 20% on a straight line basis

1.4 Leases and hire purchase contracts

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.5 Translation of foreign currencies

Assets and liabilities expressed in foreign currencies are translated to sterling at the rates of exchange ruling at the end of the financial year. Income and expenditure arising from foreign currency transactions are translated at the exchange rate ruling at the date of the transaction. All differences on exchange translation whether realised or unrealised are dealt with in the income and expenditure account.

1.6 Government grants

Government grants received in respect of expenditure charged to the income and expenditure account during the year have been included in the income and expenditure account.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2000 - continued

1.7 Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

1.8 Expenditure analysis

Expenditures are analysed as between the various categories noted below on the following bases:

(a) Direct charitable expenditure

Comprises all costs directly attributable to the provision of services in pursuance of the charitable objectives and policies less any amounts allocated or apportioned to management and administration costs.

(b) Management and administration costs

Comprises costs directly attributable to the management and administration of the company and an apportionment of such other costs to the extent that they relate to such management and administration.

2. INCOME

	<u>2000</u>	<u>1999</u>
	£	£
Fees	559,149	800,730
Grants	333,466	367,896
Transport grants	14,808	-
High Wycombe grant	-	6,948
Donations	1,500	7,750
Other income and fundraising	868	841
	<u>£ 909,791</u>	<u>£1,184,165</u>

All fee income originates in the United Kingdom.

Grants are received from the Norwegian Government as a contribution to the cost of educating the pupils in the primary school.

The amounts shown above as transport grants represent monies received from the Norwegian Government, in respect of the the costs of transporting pupils to and from the school, which are due to be rebated to individuals and companies but which have been waived by them in favour of the school.

Donations were received from the following sources:

	<u>2000</u>	<u>1999</u>
	£	£
Donations from parents association	<u>£ 1,500</u>	<u>£ 5,750</u>

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2000 - continued

3. <u>OPERATING SURPLUS</u>	<u>2000</u> £	<u>1999</u> £
This is stated after charging :		
Net (gains)/losses on foreign currency translation	14,154	(18,602)
Hire of plant and equipment	3,586	4,210
Staff costs (see note 4)	694,149	759,627
Auditors' remuneration	4,750	4,000
Other fees paid to the auditors	4,544	6,097
Depreciation	36,494	25,732
	<u> </u>	<u> </u>

4. <u>EMPLOYEE INFORMATION</u>	<u>2000</u> £	<u>1999</u> £
4.1 Staff costs:		
Wages and salaries	598,204	654,387
National Insurance costs	54,649	63,061
Other pension costs	22,662	13,776
Other staff costs	18,634	28,403
	<u> </u>	<u> </u>
	£ 694,149	£ 759,627
	<u> </u>	<u> </u>

Other staff costs include staff recruitment fees, the cost of supply teachers and teachers' training, allowances and welfare costs.

Staff costs are comprised as follows:	£	£
Direct charitable expenditure	631,326	696,804
Management and administration	62,823	62,823
	<u> </u>	<u> </u>
	£ 694,149	£ 759,627
	<u> </u>	<u> </u>

4.2 The average number of staff employed during the year, including part-time employees, were:	No.	No.
Teaching	24	34
Management and administration	5	2
	<u> </u>	<u> </u>
	29	36
	<u> </u>	<u> </u>

4.3 Directors' emoluments:

The members of the Board of Governors are regarded as directors for the purposes of the Companies Act 1985.

None of the members of the Board of Governors received any emoluments in respect of their services to the school (1999 £Nil)

THE NORWEGIAN SCHOOL IN LONDON LIMITED
 (BY GUARANTEE)
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31ST JULY 2000 - continued

5. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company to the fund amounted to £22,662 (1999 - £13,776).

6. INVESTMENT INCOME

	<u>2000</u> £	<u>1999</u> £
Bank interest	10,425	2,965

7. INTEREST PAYABLE

	<u>2000</u> £	<u>1999</u> £
On loans repayable within 5 years	21,905	18,771

8. TAXATION

The school is a registered charity and the company is therefore treated as a charity for United Kingdom taxation purposes. The company does not pay any taxation on its profits, income or gains arising from its charitable activities.

The company cannot register for Value Added Tax purposes and the operating costs include Value Added Tax where this has been incurred from its suppliers.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2000 - continued

9. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>	<u>Fixtures and fittings</u>	<u>Total</u>
	£	£	£
Cost:			
At 1st August 1999	904,597	122,920	1,027,517
Additions	36,862	38,273	75,135
	<u>941,459</u>	<u>161,193</u>	<u>1,102,652</u>
At 31st July 2000			
Depreciation:			
At 1st August 1999 restated	39,368	84,304	123,672
Charge for year	18,796	17,499	36,295
	<u>58,164</u>	<u>101,803</u>	<u>159,967</u>
At 31st July 2000			
Net book value at 31st July 2000	£ 883,295	£ 59,390	£ 942,685
Net book value at 31st July 1999	£ 865,229	£ 38,616	£ 903,845

The governors considered that the historic cost of the freehold land and buildings is comprised as follows:

	£
Freehold land	274,622
Freehold buildings	655,704
Tennis courts	11,133
	<u>£ 941,459</u>

All tangible fixed assets are used for direct charitable purposes.

10. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Outstanding fees	16,016	9,138
Other debtors	8,711	-
Prepayments	40,308	38,624
	<u>£ 65,035</u>	<u>£ 47,762</u>

THE NORWEGIAN SCHOOL IN LONDON LIMITED
 (BY GUARANTEE)
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31ST JULY 2000 - continued

11.	<u>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2000</u> £	<u>1999</u> £
	Bank loans and overdraft	16,850	22,990
	Trade creditors	-	6,270
	Fees received in advance	-	785
	Other taxes and social security costs	20,301	22,538
	Other creditors	8,168	-
	Accruals	47,313	42,518
		<u>£ 92,632</u>	<u>£ 95,101</u>

12.	<u>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>2000</u> £	<u>1999</u> £
	Bank loans (see note 11.1)	294,875	311,725

12.1 The total amount of bank loans and overdrafts was as follows:

Falling due within one year:		
Bank overdraft	-	6,140
Bank loan - current portion	16,850	16,850
	<u>16,850</u>	<u>22,990</u>

Falling due after more than one year:		
Bank loan - repayable within five years	294,875	311,725
	<u>294,875</u>	<u>311,725</u>

Total bank borrowings	<u>£ 311,725</u>	<u>£ 334,715</u>
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The bank loan totals £311,725 at the year end and is repayable in equal half yearly instalments over twenty years commencing from September 1998. The loan is secured by a fixed charge over the freehold property of the school and interest is payable annually at 1.25% over the bank's base rate.

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2000 - continued

13. RESTRICTED FUND

	<u>2000</u> £	<u>1999</u> £
At 31st July 1999	535,666	567,555
Transfer (to)/from unrestricted fund	53,202	(25,039)
Net (expenditure)/income during year	(17,296)	(6,850)
	<u>£571,572</u>	<u>£535,666</u>

The restricted fund represents amounts donated specifically towards the costs of land and buildings used by the school together with amounts designated towards those costs and transferred from the unrestricted fund.

The restricted fund comprises the land and buildings used by the school less the bank loan liabilities incurred to specifically fund the school building extension.

	<u>2000</u> £	<u>1999</u> £
Net book value of land and buildings	883,295	865,229
Bank loan liabilities	(311,723)	(328,573)
	<u>£571,572</u>	<u>£536,656</u>

The depreciation expense of the cost of the buildings is charged to the restricted fund and the loan repayments are transferred to the fund from the unrestricted fund as and when these are made.

14. UNRESTRICTED FUND

	<u>2000</u> £	<u>1999</u> £
Balance as at 1st August 1999	295,863	60,276
Retained surplus for the year	33,129	210,548
Transfers to/(to) restricted fund	(53,202)	25,039
	<u>£ 275,790</u>	<u>£ 295,863</u>

THE NORWEGIAN SCHOOL IN LONDON LIMITED
(BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2000 - continued

15. RECONCILIATION OF MOVEMENTS IN FUNDS

	<u>2000</u> £	<u>1999</u> £
Surplus for the 31st July 1999	15,833	203,698
Opening school funds	831,529	627,831
Closing school funds	£ 847,362	£ 831,529

16. COMMITMENTS AND CONTINGENT LIABILITIES

16.1 Bank facilities

The school has obtained from its bankers a loan facility of £337,000 to fund the costs of completing the building extension. The loan is repayable in equal half yearly instalments over a twenty year period. The loan is secured by a fixed charge over the freehold property of the school. Interest is charged at 1.25% per annum above the bank's base rate, subject to a minimum rate of 5.25% per annum, and is charged to the unrestricted fund.

16.2 Contingent liabilities

There were no contingent liabilities at the balance sheet other than those for which provision has been made in these financial statements.

17. TRANSACTIONS WITH GOVERNORS

The children of each of the governors T.O. Lohne, P. Landberg, and T. Arntsen attend the school on terms and conditions which are the same as for all other pupils of the school.

There were no other transactions either directly or indirectly between the company and any of the governors.

18. LIABILITIES OF MEMBERS

The company is a registered charity limited by guarantee and having no share capital. Each member of the company is liable for the payment of the liabilities of the company to a maximum of £1 per member.