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THE NORWEGIAN SCHOOL IN LONDON LIMITED
(Company Limited by Guarantee)

Charity Registration Number: 282358

Company Number: 1552721

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 JULY 2001

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Founded in 1981 The Norwegian School in London

The Norwegian School in London
(Limited by Guarantee)

General Information and Professional Advisors

Registered Charity Number: 282358
Company Number: 1552721

Board of Governors
(as at 31st July 2001)

T.O. Lohne
P. Landberg
T. Arntsen

Secretaries
Sylvi Hopland

Headteacher
Sylvi Hopland

Principal Address
28 Arterberry Road
Wimbledon
London SW20 8AH.

Registered Office
28 Arterberry Road
Wimbledon
London SW20 8AH

Bankers
Royal Bank of Scotland PLC
Lombard City Office
67 Lombard Street
London EC3P 3DL

Den Norske Bank
Aker Brygge, Stranden 1
0250 Oslo
Norway

Auditors
Kingston Smith
Chartered Accountants
Quadrant House
80-82 Regent Street
London W1B 5RP

The Norwegian School in London
(Limited by Guarantee)
Report of the Board of Governors

The Board of Governors have pleasure in presenting its annual report and the audited financial statements of the school for the year ended 31 July 2001

Constitution

The Norwegian School in London was established on 25 March 1981 as a private company limited by guarantee (Company Number 1552721) and registered as a charity (Registered Number 282358). It is governed by its Memorandum and Articles of Association.

The principal object of the charity is to promote the advancement of education of Norwegian children in the United Kingdom.

Principal Activities

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

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

The school 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.

There have been no changes in the objects of the School or to its methods of pursuing them since last year.

Board of Governers

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

T. O. Lohne	(Appointed 28 November 1995)	(Resigned 17 October 2001)
P. Landberg	(Appointed 1 November 2000)	(Resigned 17 October 2001)
T. Arntsen	(Appointed 1 November 2000)	(Resigned 17 October 2001)
S. A. Berge	(Appointed 7 October 1996)	(Resigned 1 November 2000)
N. Vabo	(Appointed 6 October 1999)	(Resigned 1 November 2000)
R. Bjornson	(Appointed 17 October 2001)	
N. M. Gunneng	(Appointed 17 October 2001)	
J. Fongen	(Appointed 17 October 2001)	

Review of Activities

Status August 2000
The School is run by the Board of Governors, which consists of three members: two appointed by the Norwegian Embassy in London and one elected from among the parents.

The School had 30 employees, full time and part time (the school: 11, the kindergarten: 14 and administration: 5)

Review of Activities (continued)

80 pupils attended the school (1999 - 116) and 32 children attended the kindergarten (1999 - 33)

The School's main target group is Norwegian families on shorter stay in London, living in the Wimbledon area.

Strategies

At the beginning of the school year the Governors discussed challenges faced by the Norwegian School in London in its 20th year in Arterberry Road. The following priorities were set:

1. Continue to develop the School in a visionary direction, with the focus on flexibility, being user-friendly and quality-minded.
2. Continue to work towards a new organisation model - the matrix model
3. Routines and jobs to be examined and further developed.
4. Possibilities for the U-school will be explored.
5. The buildings to be examined in relation to the building plans.
6. Pedagogical research and development projects will be initiated in the lower school.

Present situation

The school day has been changed. The pupils have flexible hours, with attendance required during a core period of the day. Teachers have teaching and office hours from 8 a.m. to 4 p.m. Team leaders are in place, making up the leader team together with the head teacher and the head of accounts. The organisation has a matrix structure, where administration and economic responsibility has been delegated to the team leaders.

Some routines have been changed and others are in the process of being changed. Several possible schools were approached regarding co-operation with the U-school. No formal agreement for co-operation has yet been made.

The old building's ground floor has been repainted, new carpets fitted and new bookshelves have been built in the library. Plans for the next phase of building improvement work have been made, and are awaiting financing.

New computers and a computer network have been installed.

The Kapla Project in Mathematics has run for a whole year, and will be followed up in the new school year.

There is optimism in the organisation, and we are moving in the right direction.

Financial Review

Fees receivable increased by £95,000 (17%), although grants receivable fell by more, leading to a 2% fall in total income received. However certain cost savings were made, and the Company made a net surplus of £23,689 (2000: £15,833).

The Norwegian School in London
(Limited by Guarantee)
Report of the Board of Governors (continued)

Fixed Assets

Movements in fixed assets during the year are set out in note 6 to the accounts.

As stated in note 6 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 of Governors the market value of the freehold property is significantly in excess of the net book value of £864,466. A valuation made in Spring 1998 indicated that the value of the freehold property at that date was approximately £1 million.

Statement of Board of Governors' Responsibilities

Company law requires the Board of 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 Board of Governors is required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements 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.

On behalf of the Board of Governors

Sylvi Hopland

Sylvi Hopland
Secretary

18-11-01

28 Arterberry Road
Wimbledon
London SW20 8AH

The Norwegian School in London
(Limited by Guarantee)

Independent Auditors' Report to the Members of The Norwegian School in London Limited

We have audited the financial statements of The Norwegian School in London Limited for the year ended 31 July 2001 which comprise the Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of the Board of Governors and Independent Auditors
As described in the Statement of the Board of Governors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statments in accordance with relevant legal regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Board of Governors is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Report of the Board of Governors and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of Audit Opinion
We conducted our audit in accordance with United Kingdom 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 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 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 at 31 July 2001 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kingston Smith

KINGSTON SMITH
Chartered Accountants
and Registered Auditors

22-11-01

Quadrant House
80-82 Regent Street
London W1B 5RP

The Norwegian School in London
(Limited by Guarantee)
Statement of Financial Activities
for the year ended 31 July 2001

Income and Expenditure	Note	Unrestricted Funds	Restricted Funds	Total Funds 2001	Total Funds 2000
		£	£	£	£
Incoming resources					
Fees receivable	2	653,853	-	653,853	559,149
Grants receivable	2	220,941	-	220,941	348,274
Donations	2	-	-	-	1,500
School Shop	2	4,990	-	4,990	-
Other income	2	16,068	-	16,068	868
Bank Interest Received		8,457	-	8,457	10,425
Total income		904,309	-	904,309	920,216
Resources expended					
Direct charitable expenditure					
Staff costs	3	548,824	-	548,824	631,326
Educational supplies		50,189	-	50,189	48,568
Establishment costs		44,387	-	44,387	50,316
Other operating costs		75,421	-	75,421	28,120
Finance costs		20,820	-	20,820	37,442
Depreciation		17,447	18,829	36,276	36,494
		757,088	18,829	775,917	832,266
Management and administration of the Company					
Staff costs	3	101,203		101,203	62,823
Audit fee		3,500	-	3,500	9,294
		104,703	-	104,703	72,117
Total expenditure		861,791	18,829	880,620	904,383
Net movement of funds before transfers		42,518	(18,829)	23,689	15,833
Transfers between funds		-	-	-	-
Net movement of funds after transfers		42,518	(18,829)	23,689	15,833
Balance brought forward		275,790	571,572	847,362	831,529
Balance carried forward	11	318,308	552,743	871,051	847,362

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

The Norwegian School in London
(Limited by Guarantee)
Balance Sheet at 31 July 2001

	Note	2001		2000	
		£	£	£	£
Fixed Assets					
Tangible assets	*6*		947,312		942,685
Current Assets					
Debtors	*7*	352,749		65,035	
Cash at bank and in hand		196,804		227,149	
		549,553		292,184	
Creditors: Amounts falling due within one year	*8*	(347,789)		(92,632)	
Net Current Liabilities			201,764		199,552
Total Assets Less Current Liabilities			1,149,076		1,142,237
Creditors: Amounts falling due after more than one year	*9*		(278,024)		(294,875)
Net Liabilities			871,052		847,362
Reserves					
Unrestricted funds	*11,15*		318,308		275,790
Restricted funds	*11,14*		552,743		571,572
			871,051		847,362

Approved by the Board of Governors and signed on its behalf on 18-11-01.

Rune Bjornson

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Rune Bjornson - Governor

The Norwegian School in London
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 July 2001

1. **Accounting Policies**

(a) **Accounting Basis and Standards**
These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice, Accounting by Charities, and applicable Accounting Standards.

(b) **Income**
All income other than donations and transport grants is accounted for on a receivable basis, with amounts relating to the next financial year being carried forward as deferred income. Donations and transport grants are accounted for when received.

(c) **Government Grants**
Grants are brought into the financial statements at the point where they are irrevocably committed to the Norwegian School in London. Where an element of a grant relates to expenditure to be incurred after the balance sheet date an appropriate amount of the grant is carried forward as deferred income.

(d) **Allocation of Expenditure**
Costs and expenses have been allocated between direct charitable and management and administration costs according to the nature of the work performed.

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.

Management and administration costs comprise costs directly attributable to the management and administration of the school and an apportionment of such other costs to the extent that they relate to such management and administration.

All expenditure is accounted for under the accruals concept.

(e) **Pension Scheme Arrangements**
The Society operates a defined contribution pension scheme for some employees. The costs of the pension scheme are charged to the financial statements on an amounts payable basis.

(f) **Leasing and Hire Purchase Commitments**
Rentals paid under operating leases are charged to the financial statements on a straight line basis over the lease term.

(g) **Tangible fixed assets**
Tangible fixed assets are stated at cost less accumulated depreciation.
Depreciation on fixed assets, other than freehold land, is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold buildings	-	2% straight line basis
Fixtures and Fittings	-	20% reducing balance
Computer Equipment	-	30% reducing balance

(h) **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.

(i) **Cashflow Statement**
The company has taken advantage of the concession available to small organisations and has accordingly not prepared a cashflow statement.

2. Incoming Resources	2001	2000
	£	£
Fees	653,853	559,149
Grants	212,076	333,466
Transport grants	8,865	14,808
School Shop	4,990	-
Donations	-	1,500
Other income and fundraising	16,068	868
	895,852	909,791

3. Staff Costs	£	£
Wages and salaries	556,995	598,204
Social security costs	53,891	54,649
Other pension costs	13,323	22,662
Other staff costs	25,818	18,634
	650,027	694,149

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

Staff costs are allocated between activities as follows:	£	£
Direct charitable expenditure	548,824	631,326
Management and administration	101,203	62,823
	650,027	694,149

The average number of staff employed by the School during 2001 was:	No.	No.
Teaching	24	24
Management	6	5
	30	29

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 remuneration in respect of their services to the School (2000 - £nil).

The company operates a defined contribution pension scheme for some employees. 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 £13,323 (2000 - £22,662).

4. Taxation

The school is a registered charity and therefore is entitled to exemption from United Kingdom taxation in accordance with Section 505 ICTA 1988.

The company is unable to register for VAT purposes, and operating costs therefore include the VAT element where this has been incurred.

6. Tangible Fixed Assets

	Land and Buildings	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 August 2000	941,459	161,193	-	1,102,652
Additions	-	18,516	22,386	40,902
At 31 July 2001	941,459	179,709	22,386	1,143,554
Accumulated depreciation				
At 1 August 2000	58,164	101,803	-	159,967
Charge for the year	18,829	15,581	1,865	36,275
At 31 July 2001	76,993	117,384	1,865	196,242
Net Book Value				
At 31 July 2001	864,466	62,325	20,521	947,312
At 31 July 2000	883,295	59,390	-	942,685

All assets are used for the charitable purposes of the company.

The Board of Governors consider that the historic cost of the Freehold Land & Buildings is comprised as follows:

	£
Freehold land	274,622
Freehold buildings	655,704
Tennis courts	11,133
	941,459

7. Debtors

	2001	2000
	£	£
Outstanding fees	31,460	16,016
Other debtors	8,043	8,711
Prepayments	27,596	40,308
School fees invoiced in advance	285,650	-
	352,749	65,035

8. Creditors: Amounts falling due within one year	2001 £	2000 £
Bank loans and overdraft (see note 10)	16,850	16,850
Taxation and social security	19,742	20,301
Other creditors	10,515	8,168
Accruals	15,032	47,313
School fees invoiced in advance	285,650	-
	347,789	92,632

9. Creditors: Amounts falling due after more than one year	£	£
Bank loans (see note 10)	278,024	294,875
	278,024	294,875

10. **Bank loans and overdrafts**

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

	£	£
Falling due within one year:		
Bank loan	16,850	16,850
Falling due after more than one year		
Bank loan	278,024	294,875
	294,874	311,725

The bank loan is repayable in equal half yearly installments over twenty years commencing from September 1998. The loan is secured by a fixed charge over the freehold property of the school. Interest is payable annually at 1.25% over the bank's base rate.

11. Analysis of Net Assets between Funds	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 July 2001 are represented by:			
Tangible fixed assets	82,846	864,466	947,312
Net current (liabilities)/assets	218,612	(16,848)	201,764
Creditors: Amounts falling due after more than one year	-	(278,024)	(278,024)
	301,458	569,594	871,052

13. Financial Commitments

	2001	2000
Annual commitments under operating leases which expire:	Other £	Other £
within two to five years	3,907	3,907

14. Restricted Funds

	£	£
At 1 August 2000	571,572	535,666
Net income / (expenditure) during the year	(18,829)	(17,296)
Transfer from Unrestricted Funds	-	53,202
At 31 July 2001	552,743	571,572

The restricted fund represent amounts donated specifically towards the cost of land and buildings used by the school, together with amounts designated towards those costs by the Governors and transferred from the Unrestricted Fund. The value of the Restricted Fund represents the net book value of the land and buildings, less the amount of loan outstanding in connection with the purchase of the land and buildings.

15. Unrestricted Funds

	£	£
At 1 August 2000	275,790	295,863
Net income / (expenditure) during the year	42,518	33,129
Transfer from Unrestricted Funds	-	(53,202)
At 31 July 2001	318,308	275,790

16. Transactions with Connected Persons

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 transaction, either directly or indirectly, between the company and any of the Governors.

17. Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

18. Liabilities of Members

The company is a registered charity and is limited by guarantee. Each member of the Board of Governors is a member and is liable for the payment of the liabilities of the company, subject to a maximum liability of £1 per member.