

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 2002

Founded in 1981



The Norwegian School in London



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The Norwegian School in London

(Company Limited by Guarantee)

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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 2002)

Rune Bjørnson

Nils Martin Gunneng

Kentil Vindenes

Secretary

Anders Larsen

Headteacher

Anders Larsen

Principal Address

28 Arterberry Road

Wimbledon

London SW20 8AH

Registered Office

28 Arterberry Road

Wimbledon

London SW20 8AH

Bankers

Royal Bank of Scotland PLC

62-63 Threadneedle Street

London

EC2R 8LA

Den Norske Bank

Kongensgate 18

0021 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 2002.

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 achieves 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 Governors

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)
R. Bjornson	(Appointed 17 October 2001)	
N. M. Gunneng	(Appointed 17 October 2001)	
J. Fongen	(Appointed 17 October 2001)	(Resigned 13 January 2002)
K. Vindenes	(Appointed 13 January 2002)	(Resigned 19 November 2002)
M.B. Aurstad	(Appointed 19 November 2002)	

Review of Activities

Status August 2001

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 27 employees, full time and part time (the school: 13, the kindergarten: 10 and administration: 4)

The Norwegian School in London

(Limited by Guarantee)

Report of the Board of Governors (continued)

Review of Activities (continued)

62 pupils attended the school (2001 - 80) and 39 children attended the kindergarten (2001 - 32)

The School's main target group is Norwegian families on shorter or longer 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 21st 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 (grade 8-10) have been explored, and cooperation with Hall School has been initialized.
5. The buildings to be examined in relation to the building plans.
6. Pedagogical research and development projects have been initiated on all levels, from kindergarten to 10th grade. We focus on teaching and guiding each individual rather than the whole group/class.

Present situation

The school day was changed last year. The pupils have flexible hours, with attendance required during a core period of the day. Teachers have teaching and office hours from 8a.m. to 4p.m. Team leaders make up the leader team together with the head teacher and the head of accounts. The organisation has a matrix structure, where administration and financial responsibilities have been delegated to the team leaders.

Some routines have been changed and others are in the process of being changed. Hall School has been approached regarding cooperation with the U-school. No formal agreement for cooperation has yet been made, but we are working on cooperation regarding sports activities.

Plans for the next phase of building improvement work have been made, and are awaiting financing.

New computers have been installed.

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

Financial Review

Fees receivable decreased by £25,904 (4%), although grants receivable increased by £45,055 (20%), leading to a 6.1% increase in total income received. However certain cost savings were made, and the company made a net surplus of £25,464 (2001: £23,690).

Risk Assessment

Risks to the business have been assessed, and the school has taken out Material Damage, All Risks and Business Interruption insurance, where increased cost of working and reduction in turnover is included.

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 £845,637. A valuation made in Spring 1998 indicated that the value of the freehold property at that date was approximately £1 million.

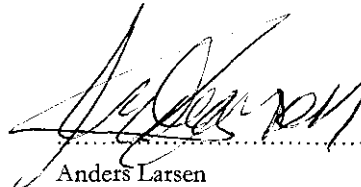
Statement of Board of Governors' Responsibilities

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



Anders Larsen

Secretary

20.11.02

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 2002 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 statements 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.

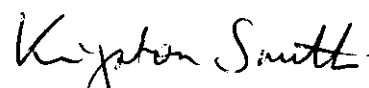
Basis of Audit Opinion

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 2002 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
Chartered Accountants
and Registered Auditors

Quadrant House
80-82 Regent Street
London W1B 5RP

20-11-02.

The Norwegian School in London
(Limited by Guarantee)
Statement of Financial Activities
for the year ended 31 July 2002

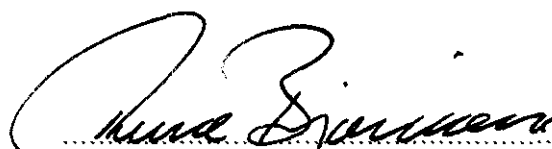
	Note	Unrestricted Funds	Restricted Funds	Total Funds 2002	Total Funds 2001
		£	£	£	£
Income and Expenditure					
<u>Incoming resources</u>					
Fees receivable	2	627,949	-	627,949	653,853
Grants receivable	2	265,996	-	265,996	220,941
Donations	2	185	-	185	-
School Shop	2	9,678	-	9,678	4,990
Other income	2	27,976	-	27,976	16,068
Bank interest received		7,408	-	7,408	8,457
Foreign exchange gains		20,664	-	20,664	-
Total income		959,856	-	959,856	904,309
<u>Resources expended</u>					
Direct charitable expenditure					
Staff costs	3	568,104	-	568,104	548,824
Educational supplies		58,060	-	58,060	50,189
Establishment costs		36,142	-	36,142	44,387
Other operating costs		117,960	-	117,960	75,421
Finance costs		19,806	-	19,806	20,820
Depreciation		20,640	18,829	39,469	36,276
		820,712	18,829	839,541	775,917
Management and administration of the Company					
Staff costs	3	90,851	-	90,851	101,203
Audit fee		4,000	-	4,000	3,500
		94,851	-	94,851	104,703
Total expenditure		915,563	18,829	934,392	880,620
Net movement of funds before transfers		44,293	(18,829)	25,464	23,690
Transfers between funds		-	-	-	-
Net movement of funds after transfers		44,293	(18,829)	25,464	23,690
Balance brought forward		318,308	552,744	871,052	847,362
Balance carried forward	11	362,601	533,915	896,516	871,052

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 2002

	Note	2002	2001
		£	£
Fixed Assets			
Tangible assets	6	912,801	947,312
Current Assets			
Debtors	7	67,880	352,749
Cash at bank and in hand		<u>249,345</u>	<u>196,804</u>
		317,225	549,553
Creditors: Amounts falling due within one year	8	<u>(72,335)</u>	<u>(347,789)</u>
Net Current Assets		<u>244,890</u>	<u>201,764</u>
Total Assets Less Current Liabilities		1,157,691	1,149,076
Creditors: Amounts falling due after more than one year	9	(261,175)	(278,024)
Net Assets		<u><u>896,516</u></u>	<u><u>871,052</u></u>
Reserves			
Unrestricted funds	11,15	362,601	318,309
Restricted funds	11,14	533,915	552,743
		<u><u>896,516</u></u>	<u><u>871,052</u></u>

Approved by the Board of Governors and signed on its behalf on 20.11.02



 Rune Bjornson - Governor

The Norwegian School in London
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 July 2002

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 and Reporting 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.

The Norwegian School in London
(Limited by Guarantee)
Notes to the Financial Statements (continued)
for the year ended 31 July 2002

2. Incoming Resources	2002	2001
	£	£
Fees	627,949	653,853
Grants	260,614	212,076
Transport grants	5,382	8,865
School Shop	9,678	4,990
Donations	185	-
Other income and fundraising	27,976	16,068
	<u>931,784</u>	<u>895,852</u>

3. Staff Costs	£	£
Wages and salaries	575,692	556,995
Social security costs	54,321	53,891
Other pension costs	17,045	13,323
Other staff costs	11,897	25,818
	<u>658,955</u>	<u>650,027</u>

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	568,104	548,824
Management and administration	90,851	101,203
	<u>658,955</u>	<u>650,027</u>

The average number of staff employed by the School during Autumn
2001 / Spring 2002 was:

	No.	No.
Teaching	23	24
Management	4	6
	<u>27</u>	<u>30</u>

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 (2001 - £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 £17,045 (2001 - £13,323).

The Norwegian School in London
(Limited by Guarantee)
Notes to the Financial Statements (continued)
for the year ended 31 July 2002

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 2001	941,459	179,709	22,386	1,143,554
Additions	-	2,386	2,572	4,958
At 31 July 2002	<u>941,459</u>	<u>182,095</u>	<u>24,958</u>	<u>1,148,512</u>
Accumulated depreciation				
At 1 August 2001	76,993	117,384	1,865	196,242
Charge for the year	<u>18,829</u>	<u>12,942</u>	<u>7,698</u>	<u>39,469</u>
At 31 July 2002	<u>95,822</u>	<u>130,326</u>	<u>9,563</u>	<u>235,711</u>
Net Book Value				
At 31 July 2002	<u>845,637</u>	<u>51,769</u>	<u>15,395</u>	<u>912,801</u>
At 31 July 2001	<u>864,466</u>	<u>62,325</u>	<u>20,521</u>	<u>947,312</u>

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
	<u>941,459</u>

7. Debtors

	2002 £	2001 £
Outstanding fees	6,328	31,460
Other debtors	4,963	8,043
Prepayments	56,589	27,596
School fees invoiced in advance	-	285,650
	<u>67,880</u>	<u>352,749</u>

The Norwegian School in London
(Limited by Guarantee)
Notes to the financial statements (continued)
for the year ended 31 July 2002

	2002	2001
	£	£
8. Creditors: Amounts falling due within one year		
Bank loans and overdraft (see note 10)	16,850	16,850
Trade creditors	3,600	-
Taxation and social security	36,078	19,742
Other creditors	3,606	10,515
Accruals	12,201	15,032
School fees invoiced in advance	-	285,650
	<u>72,335</u>	<u>347,789</u>

	£	£
9. Creditors: Amounts falling due after more than one year		
Bank loans (see note 10)	261,175	278,024
	<u>261,175</u>	<u>278,024</u>

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	261,175	278,024
	<u>278,025</u>	<u>294,874</u>

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 2002 are represented by:			
Tangible fixed assets	67,164	845,637	912,801
Net current (liabilities)/assets	295,438	(50,548)	244,890
Creditors: Amounts falling due after more than one year	-	(261,175)	(261,175)
	<u>362,602</u>	<u>533,914</u>	<u>896,516</u>

The Norwegian School in London
(Limited by Guarantee)
Notes to the Financial Statements (continued)
for the year ended 31 July 2002

13. Financial Commitments	2002	2001
Annual commitments under operating leases which expire:	Other	Other
	£	£
within two to five years	<u>3,907</u>	<u>3,907</u>
14. Restricted Funds	£	£
At 1 August 2001	552,743	571,572
Net income / (expenditure) during the year	(18,829)	(18,829)
Transfer from Unrestricted Funds	-	-
At 31 July 2002	<u>533,914</u>	<u>552,743</u>

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 2001	318,309	275,790
Net income / (expenditure) during the year	44,293	42,519
Transfer from Unrestricted Funds	-	-
At 31 July 2002	<u>362,602</u>	<u>318,309</u>

16. Transactions with Connected Persons

The children of each of the Governors (R. Bjornson, N.M. Gunneng and K. Vindenes) 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.

The Norwegian School in London
(Limited by Guarantee)
Detailed Income & Expenditure Account
for the year ended 31 July 2002

		2002	2001
		£	£
Incoming Resources			
Fees	School fees	620,685	624,990
	Less: discounts allowed	<u>(4,536)</u>	<u>(7,540)</u>
		616,149	617,450
	Transport fees	<u>11,800</u>	<u>36,403</u>
		<u>627,949</u>	<u>653,853</u>
Grants	School grants	260,614	211,476
	Excursions	-	600
	Transport	<u>5,382</u>	<u>8,865</u>
		<u>265,996</u>	<u>220,941</u>
Other income	School Shop	9,678	4,990
	Donations	185	1,700
	Other income and fundraising	27,976	14,368
	Bank interest	<u>7,408</u>	<u>8,457</u>
		<u>45,247</u>	<u>29,515</u>
Total incoming resources		<u>939,192</u>	<u>904,309</u>
Resources expended			
Staff costs		658,955	650,027
Other operating expenditure		254,773	230,592
		<u>913,728</u>	<u>880,619</u>
Net movement in funds before transfers		<u>25,464</u>	<u>23,690</u>

The Norwegian School in London
(Limited by Guarantee)
Detailed Income & Expenditure Account
for the year ended 31 July 2002

Total Expenditure	2002	2001
	£	£
Staff Costs		
Salaries	575,692	556,995
Supply Teachers	861	10,172
Employers' Pension Contributions	17,045	13,323
Employers' NIC	54,321	53,891
Training	2,910	8,614
Welfare	283	1,849
Other Staff Costs	5,804	4,754
Staff Recruitment	2,039	429
	658,955	650,027
Other Operating Costs		
Depreciation	39,469	36,276
School Bus	30,703	31,638
Educational Supplies	13,445	11,261
Excursions	13,912	7,290
Travel Expenses	184	885
Rates and Business Tax	2,256	4,802
Light and Heat	6,533	8,283
Repairs and Maintenance	6,895	8,803
Telephone	10,517	8,439
Printing, Postage and Stationery	3,694	3,913
School Yearbook	8,529	7,246
Photocopier Lease	3,031	758
Sundry Expenses	15,289	4,205
Audit and Accountancy	14,471	11,800
Exchange Differences	(20,664)	(1,661)
Bank Charges	675	976
Bad debts	41,225	-
Education Costs	19,613	13,088
Computer costs	667	5,374
Insurance	3,767	2,957
Cleaning	17,427	21,741
Loan Interest	19,131	21,505
Transport Refund to Parents	4,004	10,449
School Grants Transferred	-	7,597
School Shop Expenses	-	2,967
	254,773	230,592