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THE KNOWL HILL FOUNDATION

(Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1993

REGISTERED NUMBER: 2274166

CHARITY NUMBER: 299690

THE KNOWL HILL FOUNDATION

CONTENTS

THE KNOWL HILL FOUNDATION

AUDITORS REPORT

TO THE MEMBERS OF THE KNOWL HILL FOUNDATION

We have audited the financial statements on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st July 1993 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hughes Allen

HUGHES ALLEN
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

WATERMAN HOUSE
101 - 107 CHERTSEY ROAD
WOKING
SURREY.
GU21 1LJ.

DATE: 11.1.94.

THE KNOWL HILL FOUNDATION

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST JULY 1993

The directors present their annual report and the financial statements for the year ended 31st January 1993.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company is to promote and provide for the advancement of education for the benefit of the public, in particular for those suffering from dyslexia.

The results for the year are set out on page 4.

The Company is a Company Limited by Guarantee and is a registered charity and as such is not liable to Corporation Tax.

FUTURE DEVELOPMENTS

The directors foresee a similar level of activity for the next accounting period.

RESULTS AND DIVIDENDS

The results for the year are set out in detail on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the deficit of £8,292 is transferred to reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in notes 7 and 8 to the financial statements.

THE KNOWL HILL FOUNDATION

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31ST JULY 1993

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company were as stated below.

C.M.E. Dunleavy (resigned 18th December 1992)
N. Todd
D.G. Elsmore
M. Tappin (resigned 30th August 1992)
G. Cuttle
R. Sharp (resigned 20th March 1992)
R. Wallis
P. Delf (appointed 7th October 1992)

As the company is Limited by Guarantee, no directors hold any shares in the company, and none had any interest in any contracts or arrangements, entered into by the company during the year (other than indicated in the financial statements).

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hughes Allen be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board of Directors and signed on its behalf on 11. January 1994.

Norma Todd

MRS. N. TODD
Secretary

THE KNOWL HILL FOUNDATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST JULY 1993

	Notes	1993 £	1992 £
INCOME	2	227,473	230,772
Administration Expenses		(231,128)	(242,390)
OPERATING LOSS	3	(3,655)	(11,618)
Other interest receivable and similar income	5	320	812
Interest payable and similar charges	6	(4,957)	(329)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,292)	(11,135)
RETAINED SURPLUS BROUGHT FORWARD		35,168	46,303
RETAINED SURPLUS CARRIED FORWARD		£ 26,876	£ 35,168

No statement of recognised gains and losses has been prepared as there are no recognised gains or losses in the period other than the profit and loss for the period.

The notes on pages 6 to 10 form an integral part of the financial statements.

THE KNOWL HILL FOUNDATION

BALANCE SHEET AS AT 31ST JULY 1993

	Notes	1993 £	1993 £	1992 £	1992 £
FIXED ASSETS					
Intangible Assets	7		375		1,275
Tangible Assets	8		132,047		153,010
			132,422		154,285
CURRENT ASSETS					
Stocks	9	2,000		1,000	
Debtors	10	3,280		5,079	
Cash at bank and in hand		8,045		12,588	
		13,325		18,667	
CREDITORS: Amounts falling due within one year	11	(81,371)		(40,284)	
NET CURRENT LIABILITIES			(68,046)		(21,617)
TOTAL ASSETS LESS CURRENT LIABILITIES			64,376		132,668
CREDITORS: Amounts falling due after more than one year	12		(37,500)		(97,500)
			£ 26,876		£ 35,168
CAPITAL AND RESERVES					
Income and Expenditure Account			26,876		35,168
Company Funds	13		£ 26,876		£ 35,168

The financial statements were approved by the Board of Directors and signed on its behalf on 11. January 1994.

DIRECTOR

The notes on pages 6 to 10 form an integral part of the financial statements.

THE KNOWL HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1993

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the principal accounting policies is set out below:

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention.

The company has elected to implement the Financial Reporting Standard No. 1 for the year ended 31st July 1993. It has taken advantage of the exemption from preparing a cash flow statement on the grounds that it qualifies as a small company.

1.2 The company is not registered for Value Added Tax (V.A.T.) and accordingly, where relevant, capital and revenue expenditure includes V.A.T.

1.3 INCOME

Income represents amounts receivable for services provided and receipts from charitable activities.

1.4 GOODWILL

Purchased goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.5 STOCK

Stock is valued by the directors at the lower of cost and net realisable value.

1.6 DEPRECIATION

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life, using the following bases and rates:

Freehold Refurbishment	-	Straight line over 5 years
Portacabin	-	Straight line over 10 years
Equipment	-	Straight line over 5 years

No depreciation has been provided on the freehold land and buildings.

1.7 CHARITABLE STATUS

The company is a registered charity (number 299690).

THE KNOWL HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST JULY 1993

2. **INCOME**

The total income for the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. **OPERATING LOSS**

	1993 £	1992 £
Operating loss is stated after charging:		
Amortisation of intangible assets	900	900
Depreciation of tangible assets	25,086	24,260
Auditors' remuneration	2,550	2,828

4. **INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Directors	1993	1992
Emoluments	£ -	£ 5,629

Employees including directors

Employment costs	£	£
Wages and salaries	136,033	151,218
Social security costs	10,239	11,855
	£146,272	£163,073

Number of employees

The average weekly number of employees during the year was:	1993 Number	1992 Number
Administration	22	30

G. Cuttle is a partner in the firm, Mr. & Mrs. Cuttle, which have rendered computer services to the company for which fees of £933 have been charged in the year.

5. **INCOME FROM INVESTMENTS**

	1993 £	1992 £
Other interest receivable	320	812

THE KNOWL HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST JULY 1993

6. INTEREST PAYABLE	1993 £	1992 £
On bank loans and overdrafts	457	329
On other loans wholly repayable within five years	4,500	-
	£ 4,957	£ 329

7. INTANGIBLE FIXED ASSETS	GOODWILL £
COST	
At 1st August 1992 & at 31st July 1993	4,500
PROVISION FOR DIMINUTION IN VALUE	
At 1st August 1992	3,225
Charge for Year	900
At 31st July 1993	4,125
NET BOOK VALUE	
At 31st July 1993	£ 375
At 31st July 1992	£ 1,275

As per a verbal agreement, the business was taken over from Mrs. Judy Schiller, who was then an executive director of The Knowl Hill Foundation, for a consideration of £4,500 in January 1989.

THE KNOWL HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST JULY 1993

8. TANGIBLE ASSETS

	FREEHOLD LAND AND BUILDINGS £	PORTA-CABIN £	EQUIPMENT £	TOTAL £
COST				
At 1st August 1992	172,702	4,645	11,276	188,623
Additions	-	-	4,123	4,123
At 31st July 1993	172,702	4,645	15,399	192,746
DEPRECIATION				
At 1st August 1992	28,870	729	6,014	35,613
Charge for year	21,541	465	3,080	25,086
At 31st July 1993	50,411	1,194	9,094	60,699
NET BOOK VALUES				
At 31st July 1993	£ 122,291	£ 3,451	£ 6,305	£ 132,047
At 31st July 1992	£ 143,832	£ 3,916	£ 5,262	£ 153,010

9. STOCKS

	1993 £	1992 £
Stock of stationery and teaching materials	2,000	1,000

10. DEBTORS

	1993 £	1992 £
Trade debtors	2,905	-
Other debtors	-	4,533
Prepayments and accrued income	375	546
	£ 3,280	£ 5,079

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1993 £	1992 £
Bank loans and overdrafts	55,383	24,835
Taxes and social security costs	2,661	-
Other creditors	19,834	12,705
Accruals and deferred income	3,493	2,744
	£ 81,371	£40,284

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1993 £	1992 £
Loans:		
Wholly repayable within five years	52,500	110,000
Included in current liabilities	(15,000)	(12,500)
	£ 37,500	£ 97,500

Included in creditors is an interest-free loan amounting to £52,500 over which there is a first charge on the freehold property of the Old School, Pirbright. The bank overdraft is secured by a fixed and floating charge over the assets of the school. During the year the company repaid a loan of £45,000 together with interest at the rate of 5% per annum.

13. COMPANY FUNDS	1993 £	1992 £
Retained surpluses at 1st August 1992	35,168	46,303
Retained deficit for the year	(8,292)	(11,135)
Retained surpluses at 31st July 1993	£26,876	£35,168

As the company is limited by guarantee, the movement on funds for the year is represented by the retained deficit for the year.

14. **CONTINGENT LIABILITIES**

There were no contingent liabilities outstanding against the company as at 31st July 1993 (1992 : Nil).

15. **CAPITAL COMMITMENTS**

There were no capital commitments at 31st July 1993 (1992 : Nil)