THE KNOWL HILL FOUNDATION
(Limited by Guarantee)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 1994

REGISTERED NUMBER: 2274166

CHARITY NUMBER: 299690

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

THE KNOWL HILL FOUNDATION

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JULY 1994

The Directors present their annual report and the financial statements for the year ended 31 July 1994.

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 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 an increased 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 retained surplus of £8,951 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.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and their interests in the company were as stated below:

N. Todd	R. Wallis
D.G. Elsmore	P. Delf
G. Cuttle	B. Harnett (appointed 27 January 1994)

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

THE KNOWL HILL FOUNDATION

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31 JULY 1994

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by law to prepare financial statements each year, of which the form and content is prescribed by the Companies Act 1985, which gives a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss for that year.

The Directors are responsible for maintaining adequate accounting records, safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

The Directors confirm that the above requirements have been complied with and that the financial statements have been prepared using suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also confirm that the financial statements have been prepared on the going concern basis following applicable accounting standards.

This report was approved by the Board of Directors and signed on its behalf on:
17 November 1994

Norma Todd

MRS. N. TODD
Secretary

ACCOUNTANTS REPORT TO THE MEMBERS OF

THE KNOWL HILL FOUNDATION

(Limited by Guarantee)

We have examined, without carrying out an audit, the accounts for the year ended 31 July 1994 set out on pages 4 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANT

As described on page 6 the company's directors are responsible for the preparation of the financial statements, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below..

BASIS OF OPINION

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly, we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material mis-statement.

OPINION

In Our Opinion:

a. the accounts are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;

b. having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249(C) of the Act, and

c. having regard only to, and on the basis of, the information contained in those accounting records the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249(4) of the Act as modified by Section 249 A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

Hughes Allen

HUGHES ALLEN
CHARTERED ACCOUNTANTS

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

DATE: 17 November 1994

THE KNOWL HILL FOUNDATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 1994

	NOTES	1994 £	1993 £
INCOME	2	231,231	227,473
ADMINISTRATIVE EXPENSES		(217,829)	(231,128)
OPERATING PROFIT/LOSS)	3	13,402	(3,655)
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	5	225	320
INTEREST PAYABLE AND SIMILAR CHARGES	6	(4,676)	(4,957)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,951	(8,292)
RETAINED SURPLUS BROUGHT FORWARD		26,876	35,168
RETAINED SURPLUS CARRIED FORWARD		£ 35,827	£ 26,876

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 (1993 : NIL).

The notes on pages 7 to 11 form an integral part of the financials statements.

THE KNOWL HILL FOUNDATION

BALANCE SHEET AS AT 31 JULY 1994

	NOTES	1994 £	1994 £	1993 £	1993 £
FIXED ASSETS					
Intangible Assets	7		-		375
Tangible Assets	8		131,005		132,047
			131,005		132,422
CURRENT ASSETS					
Stocks	9	2,000		2,000	
Debtors	10	894		3,280	
Cash at Bank and in Hand		7,464		8,045	
		10,358		13,325	
CREDITORS: Amounts falling due within one year	11	(45,625)		(81,371)	
NET CURRENT LIABILITIES			(35,267)		(68,046)
TOTAL ASSETS LESS CURRENT LIABILITIES			95,738		64,376
CREDITORS: Amounts falling due after more than one year	12		(59,911)		(37,500)
			£ 35,827		£ 26,876
CAPITAL AND RESERVES					
Income and Expenditure Account			35,827		26,876
COMPANY FUNDS	13		£ 35,827		£ 26,876

THE KNOWL HILL FOUNDATION

BALANCE SHEET AS AT 31 JULY 1994 (Continued)

In preparing these financial statements the Directors confirm:

(a) the company is entitled to rely on the exemption of an audit under S.249A(2) of the Companies Act 1985

(b) no members have requested an audit under S.249B(2) of the Companies Act 1985

(c) the Directors are responsible for:

- i) ensuring that the company keeps accounting records which comply with S.221 of the Companies Act 1985 and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of S.226 and which otherwise comply with the requirements of the 1985 Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors and signed on its behalf on: 17 November 1994

DIRECTOR

The notes on pages 7 to 11 form an integral part of the financials statements.

THE KNOWL HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1994

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 31 July 1994. 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 **Value Added Tax**
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 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

1.7 **Charitable Status**
The company is a registered charity (number 299690).

2. **INCOME**

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

3. OPERATING PROFIT/(LOSS)

	1994	1993
	£	£
Operating profit/(loss) is stated after charging:-		
Amortisation of intangible assets	375	900
Depreciation of tangible assets	25,159	25,086

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1994	1993
Directors		
Emoluments	£ -	£ -

Employees including directors

Employment Costs	1994	1993
	£	£
Wages and salaries	116,027	136,033
Social security costs	10,313	10,239
	£ 126,340	£ 146,272

Number of employees

The average weekly number of employees during the year was:

	1994	1993
	No.	No.
Administration	20	22

G. Cuttle is a partner in the firm Mr. and Mrs. Cuttle which have rendered computer services to the company for which fees of £375 have been charged in year.

5. INCOME FROM INVESTMENTS

	1994	1993
	£	£
Other interest receivable	£ 225	£ 320

6. INTEREST PAYABLE

	1994	1993
	£	£
On bank loans and overdrafts	159	457
On other loans wholly repayable within 5 years	-	4,500
On bank loan repayable after 5 years	4,517	-
	£ 4,676	£ 4,957

7. INTANGIBLE FIXED ASSETS

	£
COST	
At 1 August 1993 & at 31 July 1994	4,500
PROVISION FOR DIMINUTION IN VALUE	
At 1 August 1993	4,125
Charge for Year	375
At 31 July 1994	4,500
NET BOOK VALUE	
At 31 July 1994	£ -
At 31 July 1993	£ 375

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

8. TANGIBLE ASSETS

	FREEHOLD LAND AND BUILDINGS £	PORTACABIN £	EQUIPMENT £	TOTAL £
COST				
At 1 August 1993	172,702	4,645	15,399	192,746
Additions	23,740	-	377	24,117
At 31 July 1994	196,442	4,645	15,776	216,863
DEPRECIATION				
At 1 August 1993	50,411	1,194	9,094	60,699
Charge for Year	21,540	465	3,154	25,159
At 31 July 1994	71,951	1,659	12,248	85,858
NET BOOK VALUES				
At 31 July 1994	£ 124,491	£ 2,986	£ 3,528	£131,005
At 31 July 1993	£ 122,291	£ 3,451	£ 6,305	£ 132,047

9. STOCKS

	1994	1993
	£	£
Stocks of stationery and teaching materials	£ 2,000	£ 2,000

10. DEBTORS

	1994	1993
	£	£
Trade debtors	-	2,905
Prepayments and accrued income	894	375
	£ 894	£ 3,280

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
	£	£
Bank loans and overdrafts	12,207	55,383
Taxes and social security costs	2,302	2,661
Other creditors	17,500	19,834
Accruals and deferred income	13,616	3,493
	£ 45,625	£ 81,371

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1994	1993
	£	£
Loans		
Wholly repayable within five years	37,500	52,500
Bank loan not wholly repayable within five years	45,293	-
	82,793	52,500
Included in current liabilities	(22,882)	(15,000)
	£ 59,911	£ 37,500

Included in creditors is an interest-free loan amounting to £37,500 over which there is a first charge on the freehold property of the Old School, Pirbright. The bank loan and overdraft is secured by a fixed and floating charge over the assets of the School. The bank loan is repayable by monthly instalments by a period greater than 5 years, of which £7,735 will be due after 5 years. Interest is at 10.44%.

THE KNOWL HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 JULY 1994

13. **COMPANY FUNDS**

	1994	1993
	£	£
Retained surpluses at 1 August 1993	26,876	35,168
Retained surpluses/(deficit) for the year	8,951	(8,292)
RETAINED SURPLUSES AT 31 JULY 1994	£ 35,827	£ 26,876

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

14. **CONTINGENT LIABILITIES**

There were no contingent liabilities outstanding against the company as at 31 July 1994 (1993 : NIL).

15. **CAPITAL COMMITMENTS**

	1994	1993
Capital expenditure contracted for but not provided	£ 20,163	£ -