

Company Number: 678565
Charity Number: 312069

MICKLEFIELD SCHOOL (REIGATE) LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31ST AUGUST 2011

MICKLEFIELD SCHOOL (REIGATE) LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2011

We, the Council of Governors, present our annual report for the year ended 31st August 2011 under the Companies Act 2006 and the Charities Act 1993, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the School's Memorandum & Articles of Association and the Charities SORP 2005. The School is a charitable company and therefore this report is also the Trustees' Report and the Directors' Report.

REFERENCE & ADMINISTRATIVE INFORMATION

Established in 1910, Micklefield School (Reigate) Ltd (the School) was incorporated under the Companies Act 1948 on 21st December 1960 (company no. 678565). In 1966 the School became a Charitable Trust (charity no. 312069) controlled by a voluntary Council of Management. The School does not have a share capital and the liability of the members is limited by guarantee.

Governors

The present Governors of the School, who are also the charity trustees and the directors of the company, who served during the year are:

*Mr A. B. de M. Hunter FCA (Chairman)
Mr S. Armitage FRICS
*Mrs C. Cartmell LLB
Mrs B.M.A. Dean
†Mr M. Eagers MA
†Mrs M. Evans (appointed 1st March 2011)
*Mr R.A.G. Escott ACIB (retired with effect from 1st March 2011)
*Mr M. Fell MA (appointed 1st March 2011)
*Mrs F. Gent ACA
*Dr B.C. Hutt CEng
*Mr T.P.G. Neale FCA
†Mrs J.M. Otway (retired with effect from 1st March 2011)
†Mrs R. Rokison Rose Bruford Dip LCST
†Mrs M.E. Stansfield DipEd

* Members of the Finance & Estates Committee
† Members of the Education & Staffing Committee

Registered office and principal address

Micklefield School
10 Somers Road
Reigate
Surrey
RH2 9DU

MICKLEFIELD SCHOOL (REIGATE) LIMITED

Key Executives and Professional Advisers

Headmistress:	Mrs L. Rose BEd (Hons), CertEd, DipPC
Bursar/Secretary	Mr A.R. Wright ACIB
Bankers:	Barclays Bank PLC, Sussex & Gatwick Team, P.O.Box 165, Crawley, West Sussex BX3 2BB CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
Auditors:	Crowe Clark Whitehill LLP, St. Bride's House, 10 Salisbury Square, London EC4Y 8EH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The School is governed by its Memorandum & Articles of Association which were revised and adopted on 22nd May 2007.

Governing body

The Council requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new Governors the important attribute is a passion for the work of the School and many of the Council members are parents of former pupils with an understanding of the School's ethos and its aims for the education and personal development of each child. The Council maintains a balance between male and female members and possesses within it a range of skills and experience: our current membership comprises Governors with education, health, financial and accounting, legal and property and construction backgrounds.

The Governors are elected at a full Council meeting and re-elected at Annual General Meetings. One-third of the Governors retire each year, being those longest in office since their last election or appointment, and are eligible for re-election.

Governor-training

Individual Governors have attended seminars run by the Association of Governing Bodies of Independent Schools (AGBIS). All Governors have received copies of its "Guidelines for Governors: a manual of good practice for the governors of independent schools" and the Charity Commission's publication "The Essential Trustee: What you need to know".

Organisational management

Meetings of the Council of Governors are held at least three times per year to determine the general policy of the School and review its overall management and control for which the Governors are legally responsible. There are two sub committees which meet at least termly: the Finance and Estates Committee to review the financial and management accounts and budgets; and the Education and Staffing Committee. Governors are also represented on the Health & Safety Committee which meets with members of the School's senior management team. The day to day management of the School is delegated to the Headmistress.

MICKLEFIELD SCHOOL (REIGATE) LIMITED

Group structure and relationships

We are active members of AGBIS and, through the Headmistress, the School has membership of the Incorporated Association of Preparatory Schools and the Association of Heads of Independent Schools. We participate in peer group studies to evaluate and improve performance.

Through the Friends of Micklefield, the parents and families of pupils have continued to provide support organising social events and fundraising activities: donations were made towards specific items of expenditure. Together with the Headmistress, we wish to express our appreciation for their continuing and valuable support for the School. The School works with the local community, optimising the use of the buildings and playing fields.

Risk management

We are responsible for the overseeing of the risks faced by the School. Risks are identified, assessed and controls established throughout the year and the School's risk management is reviewed by us at each Council meeting. Risk is managed under the headings of regulatory and external factors, governance, financial, academic, operational, personnel and environmental. Detailed considerations of risk are delegated to the senior management of the School.

Through the risk management processes established for the School, we are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The School is committed to safeguarding and promoting the welfare of pupils. In the most recent Independent Schools' Inspectorate report, pastoral care provided to pupils was described as outstanding and it was confirmed that child protection measures are in place and are effective. The School meets the regulatory requirements for the welfare, health and safety of pupils.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The main objects of the School, in accordance with its Memorandum of Association, are to carry on and develop the school in Somers Road, Reigate under the name of Micklefield School and to advance the education of its pupils.

Strategic aim and intended effect

The School meets its objects by ensuring that boys and girls aged from 3 up to 11 years are educated to a first class standard, based on a wide curriculum taking into account today's educational requirements and the importance of the development of the whole child.

The School welcomes pupils from all backgrounds. An entrance interview is undertaken with the Headmistress to ensure that the child will benefit from the education being provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the admissions process.

Pupils are encouraged to make the School a happy and fulfilling place by showing courtesy and consideration towards each other. Increasing responsibility is given to the older pupils to help them gain in confidence and poise and thus better equip them for the secondary school of their own and their parents' choice.

MICKLEFIELD SCHOOL (REIGATE) LIMITED

Objectives for the year

In setting the objectives and planning activities, we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The key objectives for the year were:

- To run and develop Micklefield School, building on its successful history and reputation.
- To continue celebrating the School's centenary in 2010 including a visit by HRH the Duchess of Gloucester in October.
- Following the successful inspection in the previous year, to continue to review the delivery of the curriculum and develop the role of subject co-ordinators to ensure there is a systematic approach to the development of all aspects of school life, including the curriculum, over a three period.
- To instruct Architects to draw up plans, obtain planning consent and to advise Governors on initiating the construction of premises improvements to provide our pupils with the classroom facilities to complement modern teaching methods.

Principal activity

The principal activity continues to be to operate as a day school at the premises in Somers Road, Reigate for pupils from age 3 up to 11 years. From September 2009, children have been able to start attending from the start of the school term in which they become 3 years old.

Grant-making

Within the School's Reserves, we have set aside a Designated fund with the aim of helping parents with fees where they are experiencing financial difficulties. We regularly review the size and purpose of the Fund taking into account the possible increasing demands on it as a result of current economic conditions and to consider extending its purpose to ensure that the opportunity to benefit is not unreasonably restricted by the ability to pay the fees charged.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

The School continues to enjoy academic, musical, artistic and sporting success. The majority of our thirty Year 6 leavers in July were successful in obtaining offers of places from the secondary schools of their choice and a total of sixteen scholarships were achieved.

The most recent whole school inspection report published by the Independent Schools Inspectorate following their visit in May 2009 concluded that: "Micklefield School provides a high quality education for its pupils. It has many strong features, some of which are outstanding. The School achieves its aims and meets the needs of its pupils. Many opportunities are provided to help pupils reach their full potential. Achievement levels are considerable, and particularly high in subjects such as English and mathematics." During the year the Headmistress and staff have worked to ensure these standards have been maintained.

The teaching of English using the system developed by Read Write Inc has continued and through individual pupil assessments is proving to be successful. Pupils have been able to use the new computer suite and the trim trail in the playground installed in the Summer of 2010.

We were delighted to receive a generous donation of £45,000 from the Fair Dene Educational Trust funding a new stage and lighting and sound systems for our theatre and enhancing the pupils' concerts and dramatic productions. The school choir also performed at the Barbican and the Llangollen International Eisteddfod.

MICKLEFIELD SCHOOL (REIGATE) LIMITED

Financial review and results

The School's surplus increased to £224,602 (2010: £167,275). This represents a return of 10% on the total incoming resources of £2,239,283 which we consider to be a very satisfactory performance and consistent with our objectives for the year.

The fees tariff increased by 3% in the lower school and 4% in the upper school from September 2010 and there was an increase in average pupil numbers from 264 in the previous year to 271.

We followed the teachers' national pay award increasing staff salary scales by 2.3% from September 2010.

The School's Funds stood at £2,068,044 at the year end and are deployed to fund the school premises and equipment, supplemented by the external financing in the form of the secured loan. All these Funds are considered to be Unrestricted and include the Designated fund of £100,258 to help parents with fees outstanding where they are experiencing financial difficulties. During the year, the fund was not used.

We have entered into a building contract which commenced in July to build extensions and carry out internal improvements to our premises for completion in the Summer of 2012. This will provide larger classroom, a new art room and a music centre and will be financed by a mortgage loan from Barclays Bank.

There are currently no free reserves and we rely upon the careful management of short term liquid resources to meet the needs of day to day working capital. We consider that free reserves would be desirable in order to cover the risks and uncertainties of operating as an independent educational establishment and our policy is therefore to achieve annual operating surpluses to create reserves, subject to the prior demands of further expenditure to equip the School with the up to date facilities required.

We have set out above a review of financial performance and the School's reserves position. We consider the School's financial health to be good taking into account the surpluses achieved in recent years, the satisfactory opinion of our Auditors, the number of pupils on the register and on our waiting lists for future years, and our risk management and planning processes, including our financial projections, which take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have the resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties that call into doubt the School's ability to continue. The accounts have therefore been prepared on the basis that the School is a going concern.

Investment policy and objectives

There are no restrictions on the School's powers of investment. Currently, short term surplus funds are placed in higher rate interest bearing bank deposits, where they are immediately available to meet planned capital expenditure and working capital requirements.

MICKLEFIELD SCHOOL (REIGATE) LIMITED

FUTURE PLANS

We intend to continue our current strategies in running and developing the School, building on its successful history and reputation and maintaining its sound financial position in a competitive environment.

The Headmistress and her senior management team will continue to review the delivery of the curriculum taking account of the advice and recommendations received from the Independent Schools Inspectorate and Early Years and Childcare Service.

We shall continue the building programme which commenced in July to build extensions and carry out internal improvements to our premises for completion in the Summer of 2012. The key elements of our plans will provide larger classrooms, a new art studio and a new music centre.

PUBLIC BENEFIT

We have given careful consideration to the Charity Commission's guidance on public benefit and the School will continue to fulfil its charitable objects to advance education by carrying on and developing the school in Somers Road, Reigate.

We consider our primary duty is to the pupils (past, present and future) and the school does not operate in a discriminatory manner to exclude sections of the public from the benefits of that education. Pupils are not required to undertake an entrance test and through our skills unit, pupils receive appropriate support. Pupils with various physical disabilities have and continue to attend.

The School does not have free reserves or endowed funds to facilitate the awarding of bursaries and scholarships. The Designated fund has been established in order that bursary awards may be granted on the basis of parental means and to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. We shall continue to review how these bursaries are made available and are mindful of the need to maintain a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

Through the attendance of nearly 300 children from 200 families and the employment directly and indirectly of over 70 people, the School makes a significant contribution to the national and local economies and to the local community. The School's buildings and playing fields are used by local organisations on a regular basis.

MICKLEFIELD SCHOOL (REIGATE) LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

We are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the profit or loss of the School for that period. In preparing these financial statements, we are required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue to operate.

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the School and enable us to ensure that the financial statements comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the School and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Crowe Clark Whitehill LLP have expressed their willingness to continue as auditors for the next financial year.

Approved by the Council of Governors at its meeting on 6th December 2011 and signed on its behalf by



A. B. de M. Hunter
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICKLEFIELD SCHOOL (REIGATE) LIMITED

We have audited the financial statements of Micklefield School (Reigate) Limited for the year ended 31 August 2011 set out on pages 10 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MICKLEFIELD SCHOOL (REIGATE) LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns;
or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Pianca

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

6th December 2011

MICKLEFIELD SCHOOL (REIGATE) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2010 £
INCOMING RESOURCES					
Income from Charitable Activities:					
School fees receivable	2	2,143,830	-	2,143,830	1,993,602
Registration fees		5,586	-	5,586	3,930
Ancillary trading income		38,852	-	38,852	34,179
Income from generated funds:					
Grants and Donations	3	-	45,827	45,827	30,053
Activities for generating funds:					
Rents and lettings		3,067	-	3,067	2,795
Bank and other interest		2,061	-	2,061	1,476
Other income		60	-	60	80
Total incoming resources		<u>2,193,456</u>	<u>45,827</u>	<u>2,239,283</u>	<u>2,066,115</u>
RESOURCES EXPENDED					
Charitable activities:					
School operating costs	5-6a)	1,992,450	827	1,993,277	1,876,289
Governance costs	6b)	10,740	-	10,740	10,171
Costs of generating funds:					
School financing costs	10	10,664	-	10,664	12,381
Total resources expended	5-6a)	<u>2,013,854</u>	<u>827</u>	<u>2,014,681</u>	<u>1,898,840</u>
NET INCOMING RESOURCES		179,602	45,000	224,602	167,275
Transfers	12b)	45,000	(45,000)	-	-
Fund balances at 1 st September 2010		1,843,442	-	1,843,442	1,676,167
FUND BALANCES at 31st August 2011		<u>2,068,044</u>	<u>-</u>	<u>2,068,044</u>	<u>1,843,442</u>

There are no other recognised gains and losses other than the net incoming resources for the year. All operations and activities are continuing.

The notes on pages 12 to 17 form part of these financial statements.

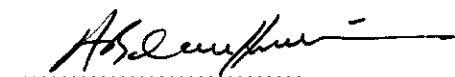
MICKLEFIELD SCHOOL (REIGATE) LIMITED

BALANCE SHEET AS AT 31ST AUGUST 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		2,656,015		2,519,022
CURRENT ASSETS					
Debtors	8	22,473		14,511	
Short term deposits		400,000		325,000	
Cash at bank and in hand		110,900		168,238	
		<u>533,373</u>		<u>507,749</u>	
CREDITORS: due within one year:	9	<u>499,826</u>		<u>481,042</u>	
Net current assets/(liabilities)			33,547		26,707
Total assets less current liabilities			<u>2,689,562</u>		<u>2,545,729</u>
CREDITORS: due after more than one year:					
Bank loan	10		(569,696)		(662,587)
Deposits			(51,822)		(39,700)
TOTAL NET ASSETS			<u>2,068,044</u>		<u>1,843,442</u>
UNRESTRICTED FUNDS:					
Designated & general reserves	12		<u>2,068,044</u>		<u>1,843,442</u>
TOTAL FUNDS			<u>2,068,044</u>		<u>1,843,442</u>

These accounts have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006.

Signed on behalf of the Council of Governors by



A. B. de M. Hunter
Chairman

Approved by the Council of Governors on 6th December 2011

MICKLEFIELD SCHOOL (REIGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011

1. ACCOUNTING POLICIES

a) Basis of Preparation

The accounts are prepared under the Companies Act 2006 on the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2005. Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' responsibilities on page 7.

b) Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets retained for use by the School at rates calculated to spread each asset's cost, less its estimated residual value at prices ruling at date of acquisition, over its expected useful economic life, which for each class of asset is initially assessed as averaging:

Freehold buildings and improvements	2% cost or valuation
Furniture and equipment	10% of cost
Computer equipment	33 $\frac{1}{3}$ % of cost
Motor vehicles	25% on reducing balance

Items costing less than £3,000 are written off as an expense as acquired.

c) Fees Receivable

School fees receivable consist of charges billed for the School Year ending 31 August, less bursaries, discounts and other allowances. Fees received for education to be provided in future years are carried forward as deferred income.

d) Direct and Overhead Expenditure

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned according to management estimates of time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

e) Teaching Materials

Supplies of games equipment, books, stationery and sundry materials are written off to the General Revenue account as soon as the expenditure on procuring them is incurred.

f) Pension Schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS17 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to a defined contribution personal pension scheme for non-teaching staff.

g) Operating Leases

Annual rentals are charged to the profit and loss account as they arise.

MICKLEFIELD SCHOOL (REIGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011 (Continued)

1. ACCOUNTING POLICIES (Continued)

h) Cash Flow Statement

The School qualifies as a small company and as such is exempt from the requirement to prepare a cash flow statement under FRS1 (revised) Cash Flow Statement.

2. SCHOOL FEES RECEIVABLE

	2011 £	2010 £
The School's fee income comprised:		
Gross fees	2,143,830	2,025,186
Less: Bursaries, discounts and other allowances	(27,294)	(31,584)
	<u>2,116,536</u>	<u>1,993,602</u>

3. GRANTS AND DONATIONS

Grants and donations comprise restricted income of £45,827 (2010: £29,828) which has been donated to cover specified items of capital and operating expenditure.

4. TRANSACTIONS WITH RELATED PARTIES

During the year, the Governors did not receive any remuneration from the School or other benefits in their capacity as directors and charity trustees. No expenses (2010: £35) were reimbursed to Governors (2010: one Governor) attending external meetings and seminars.

5. STAFF COSTS

	2011 £	2010 £
Wages and salaries	1,133,694	1,127,814
Social security costs	87,970	84,711
Pension contributions	124,935	121,128
	<u>1,359,099</u>	<u>1,333,653</u>

	No.	No.
The average number of employees in the year (full time equivalent):		
Teaching	35	35
Administration	5	5
Maintenance	1	1
	<u>41</u>	<u>41</u>

	No.	No.
The number of higher paid employees was:		
£60,000 - £70,000	<u>1</u>	<u>1</u>

This employee is a member of the Teachers' Pension Scheme: see note 11 on page 16

MICKLEFIELD SCHOOL (REIGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011 (Continued)

6a). EXPENDITURE - Analysis of Total Resources Expended

	Staff costs	Other	Depreciation	Total
	£	£	£	£
Charitable activities				
School operating costs:				
Teaching	1,192,944	73,961	17,869	1,284,774
Welfare	-	116,693	1,417	118,110
Premises	26,419	280,097	60,899	367,415
Support	139,736	81,073	2,169	222,978
	<u>1,359,099</u>	<u>551,824</u>	<u>82,354</u>	<u>1,993,277</u>
Governance costs	-	10,740	-	10,740
Costs of generating funds				
School financing costs	-	10,664	-	10,664
	<u>1,359,099</u>	<u>573,228</u>	<u>82,354</u>	<u>2,014,681</u>

6b). EXPENDITURE – Other disclosures

	2011	2010
	£	£
Governance costs include:		
Auditors' remuneration	10,080	9,500

7. TANGIBLE FIXED ASSETS

	Freehold Land	Freehold Buildings and Improvements	Motor Vehicles	Furniture, Computer and Other Equipment	Total
	£	£	£	£	£
Cost or Valuation					
At 1 st September 2010	359,500	2,443,609	23,600	294,191	3,120,900
Additions	-	173,606	-	45,741	219,347
Disposals	-	-	-	(9,230)	(9,230)
At 31 st August 2011	<u>359,500</u>	<u>2,617,215</u>	<u>23,600</u>	<u>330,702</u>	<u>3,331,017</u>
Depreciation					
At 1 st September 2010	-	422,942	18,735	160,201	601,878
Provided for in year	-	48,873	1,216	32,265	82,354
Disposals	-	-	-	(9,230)	(9,230)
At 31 st August 2011	<u>-</u>	<u>471,815</u>	<u>19,951</u>	<u>183,236</u>	<u>675,002</u>
Net Book Value					
At 31 st August 2011	<u>359,500</u>	<u>2,145,400</u>	<u>3,649</u>	<u>147,466</u>	<u>2,656,015</u>
At 31 st August 2010	<u>359,500</u>	<u>2,020,667</u>	<u>4,865</u>	<u>133,990</u>	<u>2,519,022</u>

MICKLEFIELD SCHOOL (REIGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011 (Continued)

8. DEBTORS

	2011	2010
	£	£
Fees	10,144	3,863
Other debtors	1,714	781
Prepayments	10,615	9,867
	<u>22,473</u>	<u>14,511</u>

9. CREDITORS: DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	156,751	76,290
Taxes and social security	27,146	27,857
Fees in advance	196,487	219,719
Accruals and deferred income	42,442	57,176
Bank loan	77,000	100,000
	<u>499,826</u>	<u>481,042</u>

10. LOAN CREDITOR

	2011	2010
	£	£
Due within one year	77,000	100,000
Due within two to five years	319,390	409,087
Due after more than five years	250,306	253,500
	<u>646,696</u>	<u>762,587</u>

The loan is secured by a first charge dated 12th December 1995 over the freehold deeds of 10 and 12 Somers Road, Reigate, Surrey and was refinanced in August 2004 over a period of 15 years. During the first 2 years, payment was on an interest only basis and thereafter repayment is in equal monthly instalments of capital and interest, the latter being a variable rate, 1.5% as at 31st August 2011 (2010: 1.5%).

MICKLEFIELD SCHOOL (REIGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011 (Continued)

11. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1st April 2001 to 31st March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1st January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations): a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable. The next valuation of the Scheme by the Government Actuary due to be prepared as at 31st March 2008 has not yet been published. The Department for Education has issued a consultation paper including proposals for employee contributions to be increased from April 2012.

The pension charge for the year includes contributions payable to the scheme of £110,682 (2010: £106,222). Contributions of £13,223 were due at the year end (2010: £12,994).

The School also runs a defined contribution personal pension scheme for those members of staff not entitled to join the Teachers' Pension Scheme. The cost for the year represents the School's contributions to the scheme of £12,484 (2010: £13,362) and there were no contributions due at the year end.

Contributions in the year to 31st August 2012 will continue at the same rates and it is expected that the amount contributed will be similar to that for the previous year.

12a) FUNDS: ANALYSIS OF NET ASSETS

	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	Fund Balances £
Unrestricted Funds:				
Designated funds	-	100,258	-	100,258
General reserves	2,656,015	(66,711)	(621,518)	1,967,786
	<u>2,656,015</u>	<u>33,547</u>	<u>(621,518)</u>	<u>2,068,044</u>

MICKLEFIELD SCHOOL (REIGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011 (Continued)

12b) FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 Sept 2010 £	Incoming Resources £	Resources Expended £	Net Transfers £	Balance at 31 August 2011 £
Restricted Funds					
Fair Dene Trust	-	45,000	-	(45,000)	-
Other donations	-	827	(827)	-	-
Unrestricted Funds:					
Designated fund	80,258	-	-	20,000	100,258
General reserves	1,763,184	2,193,456	(2,013,854)	25,000	1,967,786
	<u>1,843,442</u>	<u>2,239,283</u>	<u>(2,014,681)</u>	<u>-</u>	<u>2,068,044</u>

The restricted funds relate to grants and donations received and having been fully utilised in the purchase of specific resources and equipment, the Governors do not consider there to be any continuing restrictions. Therefore a transfer of £45,000 has been made from restricted to unrestricted funds representing the net book value of these resources and equipment as at 31st August 2011.

The designated fund has been set aside to use as the Governors deem appropriate with the aim of helping parents with fees outstanding where they are experiencing financial difficulties.

13. LEASE AND OPERATING LEASE COMMITMENTS

	<u>2011</u>		<u>2010</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	£	£	£	£
Annual commitment on leases and rental agreements expiring within two to five years	6,500	-	6,500	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The School leases the Sports Field in St Albans Road, Reigate under a lease for a term of 10 years from July 2004. The annual rent was increased in July 2009 for the remainder of the term.

14. CONTRACTS AND COMMITMENTS

There was unaccrued capital expenditure of £1,364,197 contracted for as at 31st August 2011 (2010: Nil). This related to improvements and extensions to the premises which are planned to be completed by August 2012. This expenditure is to be financed through an agreed bank loan.