

Charity number: 527521
Company number: 1141571

**ELMFIELD RUDOLF STEINER SCHOOL
LIMITED**

Report and Financial Statements

Year ended 31 August 2010

ELMFIELD RUDOLF STEINER SCHOOL LIMITED
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ELMFIELD RUDOLF STEINER SCHOOL LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

COMPANY REGISTRATION NUMBER

1141571

REGISTERED CHARITY NUMBER

527521

COUNCIL MEMBERS

Mrs. Rosanne A E Adams
Maarten Ekama (Chair) (to be re-elected at AGM)
David C Harris
Mrs Janet M Klaar (to be re-elected at AGM)
Ms Gertraud M Soukup (to be re-elected at AGM)
Mike T M Vaughan
Nick Godwin
Julian Donald
Peter Hall
Vanessa Mansell (to be elected at AGM)
Kate MacMaster (to be elected at AGM)

Council members who resigned / left during the year: Barbara Cockburn, Hartwig Schneider, Helen Moseley, Mike Friedeberg.

Company Secretary (delegated with the day to day management of the charity) Ms C A H Smith

REGISTERED OFFICE

Love Lane
Stourbridge
West Midlands
DY8 2EA

PRINCIPAL BANKERS

HSBC
114 High Street
Stourbridge
West Midlands
DY8 1DZ

Triodos
Brunel House
11 The Promenade
Clifton
Bristol
BS8 3NN

SOLICITORS

Higgs & Sons
PO Box 15
Blythe House
134 High Street
Brierley Hill
West Midlands
DY5 3BG

AUDITORS

Mazars LLP
45 Church Street
Birmingham B3 2RT

The Council is pleased to present its report together with the financial statements of the charity for the year ended 31st August 2010.

Structure, Governance and Management

Constitution

Elmfield Rudolf Steiner School Limited is a company limited by guarantee and a registered charity. It is governed by and constituted under its Memorandum and Articles of Association dated 25th October 1973, as amended by special resolutions dated 8th February 1990 and 5th March 2007.

The School operates on the site owned by Elmfield Trust, a trust which owns the land and most of the buildings used by the School. The legal operating body of the School is the Elmfield Rudolf Steiner School Association which elects members of the Council of Management, whose members are the trustees of the charity.

There are currently 68 (2010: 76) members of the Association, consisting of current and former teachers and parents.

The Council meets at least six times per year and oversees the activities of the School, taking direct responsibility for the finances, management of the premises, and all legal and compliance matters. It delegates decision-making powers to the College of Teachers, which is responsible for the management of the education. Council members provide their services as volunteers and receive no remuneration.

New members of the Council can be appointed at any time to fill a casual vacancy or add to the Council. The Council recommends new members based on their areas of skill and expertise and for the contribution they can make to the School. There must be a minimum of four and a maximum of twenty members and at all times, no more than one third of the members should be employed or engaged as staff of the school. Two thirds should be equally parents and a group from former staff or parents. Currently there are 11 (2010: 12) members of the Council of Management, in addition to the Company Secretary.

Council members undergo full safeguarding procedures, including references, CRB checks. Training is arranged from time to time for the whole group, and members are encouraged to attend seminars arranged when available.

Organisation

In keeping with the principles of Steiner Waldorf education, there is no head teacher at Elmfield. The College of Teachers is responsible for all matters of education including curriculum, teaching staff, staff development, and admission of children and maintaining the integrity of the School as a Steiner Waldorf school. A system of mandated groups and committees is used to share responsibilities.

During 2009 to 2010 the College was co-chaired by Ann Gulbis and Vanessa Mansell. Elisabeth Faulkner took over this role during the Summer Term. Chair of Finance Committee is David Harris, a non staff Council member. Chair of the Council of Management is Maarten Ekama.

There is a Parent Teacher Association. The Chairs are Helen Hingley and Sheena Ross Donald.

In accordance with the constitution, one third of members of the Council must retire and seek re-election at the AGM together with all new members appointed since the last AGM.

Relationship with third parties

Elmfield School is a member of the Steiner Waldorf Schools Fellowship.

Risk management

The Council has assessed the major risks to which the charity is exposed, in particular those relating to its operations and finances, and works to ensure systems are in place to mitigate exposure to the major risks.

At each Council meeting time is allocated to consider any new risks identified. Crucial monitoring is also done in particular by the Health and Safety, Finance Committees and the College of Teachers in various areas of work in the School. Since loss of pupils would be both an indicator of concerns and a risk to the School, Council and Finance Committee monitor numbers in the School and review procedures to consider effective measures are in place to retain and admit more pupils. Concerns and complaints are also treated very seriously and reviewed.

The major risks to which the School is exposed include the financial environment, and the shortage of trained Steiner Waldorf teachers.

The deficit in the Mercury Provident Pension Scheme is being funded by regular monthly contributions from all participating employers, including Elmfield. The triennial review is expected to be published in early 2011 and the deficit is expected to double. Elmfield is represented on the Employers' Committee, which has replaced the Principal Employer to the scheme. New administrators are in place and substantial savings in administrative costs are expected. Elmfield has managed the deficit repayments and will ensure its voice is heard in negotiations with the Pensions Regulator concerning the new repayment plan.

The current national economic situation remains of concern to Elmfield, as it is for most independent schools and small businesses. The School is actively committed to working with parents who approach the administration to find ways forward through difficult times, and hopes that a strong sense of community and shared endeavour will be one of the positive outcomes of the present situation. During the year the School established a trial Assisted Places Scheme with a view to supporting a quota of families who would otherwise not be able to make the financial commitments necessary for their children to attend Elmfield. This has been well received.

The School has been addressing several new compliance issues over recent years. Our Early Years department has obtained exemptions from key Early Years Foundation stage requirements, which require a new curriculum and set of targets for young children which are contrary to the pedagogical ethos and objectives that Elmfield adheres to as a Steiner Waldorf school. Elmfield has a clear view of child development and a longstanding successful curriculum which cannot accommodate many of these targets. Exemptions have been agreed for most of the areas of particular concern for the School, however renewal will soon be necessary and changes to the regulations are expected to be made. Concern remains as to the outcome of the EYFS review expected in January 2011 and the long term security of the current agreement.

A further concern to the School is the shortage of Steiner Waldorf trained teachers, which will be further exacerbated by the closure of the Plymouth University course, and other training settings. To this end, Elmfield is researching the possibility of starting a new training centre at Elmfield.

Elmfield is also actively investigating the possibility of funding for the nursery and kindergarten.

The School is also exploring the possibility of becoming an Academy and an Academy Investigation Group is guiding this process. The group includes members of the parent body, the Council of Management and the College of Teachers.

The Boarding Committee, led by Maigread Reynolds, has worked hard over the year to ensure all the extra National Minimum standards for boarding schools are in place, and document these in its policies.

Following extensive research by Mike Friedeberg it was decided to remove wireless internet access in the School, which is now a wi-fi free zone at least in terms of its own provision, in order to minimize the risks of microwave radiation.

Objectives and organisation of the charity

The principal objective of the charity as set out in the governing document is the administration of Elmfield Rudolf Steiner School Limited ("Elmfield"). The aims of the charity are: -

- To provide Steiner Waldorf Education working out of an anthroposophical understanding of mankind and child development;
- To develop the curriculum through active research based on Rudolf Steiner's pedagogical indications and in conjunction with the international Waldorf movement;
- To work towards making this education accessible to children from a diverse range of backgrounds and ability.

Public Benefit

Elmfield School has charitable status and provides a benefit to the public in line with its Mission Statement, which is to provide Steiner Waldorf Education to children from a diverse range of backgrounds and ability. Elmfield School offers the only genuinely alternative form of education in the region, arising out of a very different vision and approach to education from that provided in mainstream, whether funded privately or directly by the state, and as such offers a real choice for parents.

In order to make the education at Elmfield available to children from as wide a range of backgrounds as possible, Elmfield has offered Deferred Fees Agreements for the past 15 years, which enable parents to spread the payments over a period longer than that of the child's time at the School. A bursary fund was started in 2004, with a gift from a benefactor and from the School. This year the School initiated a trial Assisted Places scheme for a quota of up to 12 families who would otherwise be unable to send their children to Elmfield.

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

Elmfield works hard to keep its fees as affordable as is possible. As a result, salaries remain relatively low, and the Council of Management, through the Finance Committee, aims to keep a balance between ensuring that salaries offer a reasonable living to teachers and are sufficiently viable to avoid discouraging new and high calibre teachers to train, while keeping the fees at a level that is as inclusive as possible. Last year, in view of the economic climate, Finance Committee held the fee increase to 2.5% which it intends to support by the increase in reserves made owing to last year's surplus.

Elmfield works to maintain and develop its links with the local community. In the course of a year this has included making lunch in a local sheltered housing scheme, carol singing in the local hospice, litter picking in the park, participating in local basket ball tournaments, a very popular Advent Bazaar, and supporting and hosting two much appreciated community choirs.

Achievements and performance

School Activities.

The Autumn Term saw a good increase in school numbers from the levels expected at the end of the previous year, although numbers in the Early Years remained low.

A major development during the School year was the overhaul and new vision for the Upper School curriculum.. A bold and innovative programme was developed which provided for active and body-based learning in the first two hours, followed by Main Lesson, with academic work for GCSEs during the afternoons. This required very creative timetabling for the new academic year, requiring review and adjustments, but is seen as a new venture with the capacity to inspire teenagers to engage more deeply with their learning and to enliven the Waldorf curriculum. The overall feedback so far has been very positive.

A successful Michaelmas work day and Harvest market raised funds for the Waldorf One World charity, supporting initiatives in the developing world. The Shakespeare Festival initiative which began at the start of the academic year was a success and continued in Autumn 2009.

Significant work was done in embedding a programme of appraisal, with a view to ensuring that every staff member is appraised regularly in the future. Avril Whitehead started this work during the year with 5 teachers, with a further 9 teachers to be appraised in the coming year.

Concern over the low numbers in the Early Years continued. The Council of Management asked for an external assessment of the Early Years provision, and an Action Group was appointed to ensure progress on all matters raised. Council is overseeing this work.

In view of the low numbers it was agreed that Elisabeth Faulkner would be seconded for one year to take on the work of Educational Administrator. The need for a review of the management of the School had become a priority. While the School remains committed to a co-operative model of working it was felt that some changes in the structure were now urgent, both in order to relieve teachers of an excessive administrative burden, but also to ensure a more effective system of peer management. The School hopes that the work of an Educational Administrator will continue with clear transparent structures and this remains a priority for the College and Council.

In the light of the new government initiative for academies, Elmfield is exploring the possibility of becoming an Academy and an Academy Investigation Group is guiding this process. The group includes members of the parent body, the Council of Management and the College of Teachers. A first forum on this subject was held during November 2010 and the School Hall was full. Elmfield has expressed an interest and hopes to submit the proposal before the end of 2010.

Elmfield is also actively investigating the possibility of funding for the nursery and kindergarten.

Vision Project

At the start of 2010, there was another presentation by Jonathan Hines and Sir Christopher Ball to the community. Further explorations are needed to reach the right design for the new Early Years building.

Kilian left the School at the end of the academic year 2009/10. His input was greatly appreciated. Another Goethean observation weekend is planned for 19th and 20th February 2011, with a view to moving the design forward. In the meantime the fundraising has been moving forward successfully, led by Diana Ball.

Staff

At the start of the year, Martin Dathan took on the new Class 1, but at the School's insistence, he took a half term's sabbatical, while the class received a special fledgling programme as they awaited their graduation into the main School at the beginning of November. Elaine Sheppard returned from her sabbatical to take over Class 7 from the capable hands of Sue Marshall, who retired at the end of 2008.

During the year Alison Hodge retired due to ill-health after over 13 years accompanying the eurythmy lessons on the piano. Becky Andrews, one of our early years assistants also left the School's employment. At the end of the year three full-time and dedicated teachers moved on from Elmfield: Kymberley Chace, Class 3 teacher; Elisabeth Moreton, Class 5 teacher, and Kilian Voss, Upper School crafts teacher. We wish them well in their new paths and thank them for their dedication and respective contributions.

After many years searching for a second upper school science teacher, the School was able to take on a full-time trained Steiner Waldorf science teacher, Chen Atid, as well as Judyth Sassoon who has taught biology main lessons here over a number of years. Judyth will work for half the year, and Mike Friedeberg reduced his hours after many years carrying the science curriculum single-handedly. Mike died suddenly on 1st November 2010. The School and the community are deeply saddened by the loss of a friend and teacher held in the highest regard by students, colleagues and students alike and he will be greatly missed by all.

The new Class 1 was taken by Carla Williams, who sadly has since resigned on health grounds. Her initial work was impressive and she will be missed. Class 6 has been taken by Gaynor Gallagher, who is doing excellent work.

During the year Tony Laycock was appointed to the position of caretaker, and has already put in place several innovations in the procurement of products which minimize environmental impact and also save money for the School. Tony lives in the Park Hill flat and is a very welcome addition to the Estates team. Jason Pond, the new craft teacher, is now living in the Coach House and offers support to the security needs of the School.

Estates

During Tony Laycock's appointment as the School's caretaker meant that Stephen was able to move out to a new home with his family, and he is now the School's full-time Estates Officer.

Extensive plumbing work was completed to ensure the prevention of Legionnaire's Disease, and re-pointing the chimney in Thorn Hill. Outside work included repairs to the hard court and the school drive. The IT suite was back to the old IT room to free the movement room for the new Upper school curriculum.

Sadly some diseased trees were removed, including the cherry tree at the front, and two hawthorns and an apple tree. The cherry tree will be replaced. A new sign in wood and copper was built by Kilian Voss with help from Todd White. The Estates team also supported Class 3 and Class 11 in building a bread oven for use by the curriculum garden.

The major outlay was the renewal of the roof to the School Hall during the Summer Holidays.

Council of Management

During this year the Council of Management saw the departure of several long standing Council members who had made valuable contributions over many years: Barbara Cockburn, Hartwig Schneider and Helen Mosley. All will be missed.

Financial Context

In view of the local and national financial context, the School decided to minimize the increase in tuition fees and allow a deficit of up to £70,000 in the coming year. This was made possible by an increase in reserves achieved in the year ended 2010 of £125,519. In order further to support parents struggling a Trial Assisted Places scheme for up to 10 pupils was launched.

Investment performance

The Finance Committee holds a substantial proportion of the School's reserves in deposit accounts with Triodos Bank, which provides a good return and is committed to an ethical investment policy in keeping with the ethos of the School. At 31 August 2010 the sum in this account was £80,683.

Developments

Elmfield is committed to a new building for the Early Years and Lower School.

Financial Review

The Finance Committee reviews the School's budgets and monitors them against actual income and expenditure twice per term.

An income of £38,920 came from Deferred Fees, which are not used for general purposes. Hitherto deferred fees income had been set aside for development, such as the new building and the establishment of the bursary, however in view of the significant funding needs of the pension deficit; it is likely that this fund will be called upon for annual expenditure needs.

Reserves Policy

Financial reserves are necessary to support the school in case of difficulty. These reserves should be such that the school can operate until suitable action can be taken to rectify the cause of the loss.

The trustees consider that a reduction of around 10% in pupil numbers would result in significant losses, and take 3 to 4 years to increase numbers to restore the position: the reserves at the year end should be sufficient to cover this period. The trustees have concluded, after allowing for the possible disposal of secondary property assets, that reserves of between £150,000 and £250,000 are required, and that maintaining free reserves (that is unrestricted general reserves not including fixed assets) at this level is a priority. Reserves increased in the year, and in view of the economic climate and its effects on the parent body, Finance Committee decided to minimize the fee increase this year and allow a deficit to develop. At the year end free reserves were £181,942 and the Trustees intend gradually to increase the level of reserves.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMFIELD RUDOLF STEINER SCHOOL LIMITED

We have audited the financial statements of Elmfield Rudolf Steiner School Limited for the year ended 31 August 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only [list all documents published with the financial statements such as the Trustees' Annual Report, the Chairman's Statement]. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charity's affairs as at 31 August 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Glen Jones (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
45 Church Street
Birmingham
B3 2RT

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
For the year ended 31 August 2010**

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2010 Total funds £	2009 Total funds £ As restated
INCOMING RESOURCES FROM GENERATED FUNDS						
<i>Voluntary income</i>						
Fundraising		225	-	76,996	77,221	4,649
Donations		6,776	-	2,226	9,002	4,630
<i>Activities for generating funds</i>						
Book Shop		48,025	-	-	48,025	52,458
<i>Investment income</i>						
Rental income		11,889	-	-	11,889	11,640
Interest receivable		147	-	-	147	3,451
Miscellaneous income	2	1,899	-	-	1,899	1,682
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES						
Fee income	3	1,145,624	54,246	11,012	1,210,882	1,210,171
Shared equity loan income		-	-	-	-	-
TOTAL INCOMING RESOURCES		<u>1,214,585</u>	<u>54,246</u>	<u>90,234</u>	<u>1,359,065</u>	<u>1,288,681</u>
RESOURCES EXPENDED						
<i>Costs of generating funds</i>						
Book shop costs	4	48,389	-	-	48,389	54,818
<i>Costs of charitable activities</i>						
Finance costs	5	60,660	15,326	-	75,986	86,781
Education costs	6	776,015	-	2,226	778,241	776,376
School administration costs	6	107,792	-	-	107,792	112,431
Donations EHBF		-	-	11,012	11,012	11,232
Premises costs	6	183,094	-	-	183,094	218,405
New building expenditure		-	-	8,725	8,725	87,760
<i>Governance costs</i>						
Management and administration	7	20,307	-	-	20,307	18,760
TOTAL RESOURCES EXPENDED		<u>1,196,257</u>	<u>15,326</u>	<u>21,963</u>	<u>1,233,546</u>	<u>1,366,563</u>
NET INCOMING / (OUTGOING) RESOURCES	8	18,328	38,920	68,271	125,519	(77,882)
Total funds at 1 September 2009						
As originally stated		43,832	265,456	-	309,288	744,463
Prior year adjustment	15	392,333	(35,040)	-	357,293	-
Total funds at 1 September 2009 as restated		<u>436,165</u>	<u>230,416</u>	<u>-</u>	<u>666,581</u>	<u>744,463</u>
Total funds at 31 August 2010	15	<u>454,493</u>	<u>269,336</u>	<u>68,271</u>	<u>792,100</u>	<u>666,581</u>

ELMFIELD RUDOLF STEINER SCHOOL LIMITED**BALANCE SHEET****At 31 August 2010**

	Note	2010 £	As restated 2009 £
FIXED ASSETS			
Tangible assets	11	<u>272,551</u>	<u>286,379</u>
CURRENT ASSETS			
Stock		25,048	25,516
Debtors	12	83,326	93,985
Debtors - amounts falling due after more than one year	13	123,764	115,764
Cash at bank and in hand		405,796	240,587
		<u>637,934</u>	<u>475,852</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>118,385</u>	<u>95,650</u>
NET CURRENT ASSETS		<u>519,549</u>	<u>380,202</u>
NET ASSETS		<u>792,100</u>	<u>666,581</u>
Represented by:-			
Unrestricted general funds	15	454,493	436,165
Unrestricted designated funds	15	269,336	230,416
		<u>738,829</u>	<u>666,581</u>
Restricted funds	15	68,271	-
		<u>792,100</u>	<u>666,581</u>

The financial statements have been prepared in accordance with the provisions of Companies Act 2006 applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Council of Management and signed on its behalf on 18th January 2011

Maarten Ekama

Chair of Council of Management.

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 1993 and in accordance with the Statement of Recommended Practice. Accounting and Reporting by Charities (SORP 2005) issued in March 2005. The accounts have also been prepared on the going concern basis.

The principal accounting policies adopted in the preparation of the financial statements are as follows:-

Accounting convention

The financial statements have been prepared under the historical cost convention.

Allocation of income to funds

All income (including voluntary donations) is allocated to the general fund unless otherwise restricted by the donor or specifically designated by the trustees.

Restricted funds are funds, which the donor has specifically restricted the purpose for which they can be used. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are funds that the trustees have specifically designated the purpose for which they can be applied.

General funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Tangible fixed assets

Freehold property represents capital expenditure by the school on new buildings. The school does not own the land upon which these buildings stand. In accordance with FRS15, the Trustees have adopted a policy to depreciate buildings.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life:-

Musical instruments	25% on reducing balance
Equipment, fixtures and fittings	25% on reducing balance
Other assets	25% on reducing balance
Computers	33.3% on reducing balance
Freehold buildings	2% on cost

Investment property and staff housing

In appropriate cases, the school provides assistance to members of staff in acquiring local housing. The assistance is either by shared ownership or by secured loan. In either case, no interest is charged during the terms of the loan, but a percentage of the increase in the value of the property is paid to the school on disposal of the property.

In previous years these transactions have been treated as investment property in the balance sheet. The trustees now consider that this treatment is not appropriate, as it does not reflect the underlying nature of the transactions.

In order to reflect the substance rather than the legal form of the arrangements under FRS5, all such loans are now disclosed as long term debtors. No interest is recognised during the period of the loan, as the amount and timing of any future gain cannot be quantified with reasonable certainty.

Deferred fees

In appropriate cases, the school provides assistance to fee payers who would otherwise struggle to make payment of full fees. These fee payers are allowed to defer a proportion of the fees, which become payable when the child leaves school.

Deferred fee income is recognised in the period in which it arises. However as the debts are long term and the recoverability is uncertain, full provision is made against the outstanding balances.

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

1. ACCOUNTING POLICIES (Continued)

Gifts in kind

The charity is granted free use of the land and buildings for as long as it continues to educate children in accordance with the principles of Rudolf Steiner.

It is not possible to calculate a rental value for this gift in kind and therefore no adjustment is made to incoming resources and direct charitable expenditure.

Management and administrative expenditure

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes legal and audit fees and certain trust secretarial expenses.

Fundraising and publicity costs

These are costs directly related to fundraising income and include costs of the school shop and public relations and advertising expenditure.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Rentals payable are charged on a time basis over the lease term.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is computed on a first in first out basis. Net realisable value is based on the estimated selling price less the estimated cost of disposal.

2. MISCELLANEOUS INCOME

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Miscellaneous income	1,899	-	-	1,899	1,682

3. FEE INCOME

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Gross tuition fees receivable	1,205,373	54,246	-	1,259,619	1,276,097
Received from EHBF	-	-	11,012	11,012	11,232
Less staff reductions	(79,709)	-	-	(79,709)	(92,568)
	1,125,664	54,246	11,012	1,190,992	1,194,761
Boarding income	19,960	-	-	19,960	15,410
	1,145,624	54,246	11,012	1,210,882	1,210,171

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

4. BOOKSHOP COSTS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Purchases	30,412	-	-	30,412	36,309
Wages	17,977	-	-	17,977	18,509
	<u>48,389</u>	<u>-</u>	<u>-</u>	<u>48,389</u>	<u>54,818</u>

5. FINANCE COSTS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Credit Consultant Charges	229	-	-	229	-
Bank charges	278	-	-	278	121
Bad debts written off	60,153	-	-	60,153	54,657
Movement in the provision for deferred fees		15,326		15,326	32,003
	<u>60,660</u>	<u>15,326</u>	<u>-</u>	<u>75,986</u>	<u>86,781</u>

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

6. CHARITABLE ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
EDUCATION					
Teachers salaries	683,466	-	-	683,466	685,897
Teaching expenses	42,911	-	2,226	45,137	43,994
Boarding costs	19,485	-	-	19,485	14,945
Staff training and development	5,865	-	-	5,865	4,880
School doctor	5,845	-	-	5,845	3,830
Depreciation	16,727	-	-	16,727	19,496
Licenses and permits	1,716	-	-	1,716	3,334
	<u>776,015</u>	<u>-</u>	<u>2,226</u>	<u>778,241</u>	<u>776,376</u>
SCHOOL					
ADMINISTRATION COSTS					
Admin salaries	61,777	-	-	61,777	64,503
Telephone and postage	4,615	-	-	4,615	3,199
Printing and stationery	5,179	-	-	5,179	4,284
PR and advertising	12,441	-	-	12,441	17,367
Office equipment maintenance	1,985	-	-	1,985	1,864
SWSF subscriptions	21,795	-	-	21,795	21,214
Miscellaneous costs	-	-	-	-	-
	<u>107,792</u>	<u>-</u>	<u>-</u>	<u>107,792</u>	<u>112,431</u>
PREMISES COSTS					
Grounds and maintenance salaries	68,632	-	-	68,632	66,412
Light and heat	18,217	-	-	18,217	24,889
General household	3,109	-	-	3,109	4,192
Rates and water	13,854	-	-	13,854	17,007
Depreciation	7,540	-	-	7,540	7,540
Repairs and maintenance	51,870	-	-	51,870	81,208
Insurance	19,872	-	-	19,872	17,157
	<u>183,094</u>	<u>-</u>	<u>-</u>	<u>183,094</u>	<u>218,405</u>

7. MANAGEMENT AND ADMINISTRATION

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Audit and accountancy	5,463	-	-	5,463	5,175
Book keeping	10,526	-	-	10,526	9,390
OfSTED expenses	-	-	-	-	4,000
Legal and professional fees	4,318	-	-	4,318	195
	<u>20,307</u>	<u>-</u>	<u>-</u>	<u>20,307</u>	<u>18,760</u>

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

8. NET INCOMING/(OUTGOING) RESOURCES ARE STATED AFTER CHARGING

	Total funds 2010 £	Total funds 2009 £
Auditors remuneration - Other services	-	-
Auditors remuneration - External audit	5,463	5,175
Trustees' remuneration	-	-
Pension costs	71,845	64,149
Depreciation of owned assets	24,267	27,036
	<hr/> 101,575 <hr/>	<hr/> 96,360 <hr/>

9. STAFF COSTS

	Total funds 2010 £	Total funds 2009 £
Wages and salaries	707,123	720,394
Social security costs	52,884	50,778
Pension costs	71,845	64,149
	<hr/> 831,852 <hr/>	<hr/> 835,321 <hr/>

Pension contributions of £3,059 (2009 £2,944) were outstanding at the balance sheet date.

No employee earned in excess of £30,000.

The average number of staff employed during the year, including part time equivalents was 33 (2009 34).

10. TRUSTEE REMUNERATION

No trustee (including those who are teachers or other staff members) received remuneration in capacity for acting as a trustee. Trustees who were employed by the School as Teachers / Administrators received the following remuneration, which is included within note 9 above.

Trustee Remuneration

	Total funds 2010 £	Total funds 2009 £
Wages and salaries	69,060	69,223
Social security costs	5,864	5,237
Pension costs	3,751	5,178
	<hr/> 78,675 <hr/>	<hr/> 79,638 <hr/>

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

11. TANGIBLE FIXED ASSETS

	Buildings	Musical instruments	Equipment, fixtures and fittings	Other assets	Computers	Total
		£	£	£	£	£
COST						
At 1 September 2009	377,005	1,951	86,238	47,803	59,240	572,237
Additions	-	-	8,715	1,262	912	10,889
Disposals	-	-	(1,850)	-	-	(1,850)
At 31 August 2010	377,005	1,951	93,103	49,065	60,152	581,276
DEPRECIATION						
At 1 September 2009	143,169	1,795	62,146	31,143	47,605	285,858
Charge for year	7,540	40	8,136	4,489	4,183	24,388
Eliminated disposal	-	-	(1,521)	-	-	(1,521)
At 31 August 2010	150,709	1,835	68,761	35,632	51,788	308,725
NET BOOK VALUE						
At 31 August 2010	226,296	116	24,342	13,433	8,364	272,551
At 31 August 2009	233,836	156	24,092	16,660	11,635	286,379

12. DEBTORS

	2010	2009
	£	£
Current Fees outstanding	288,779	253,837
Current Fees provision	(229,927)	(181,025)
Deferred Fees outstanding	870,399	860,917
Deferred fees provision	(870,399)	(860,917)
Other debtors	4,453	1,000
Prepayment and accrued income	20,021	20,173
	83,326	93,985

13. DEBTORS - AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2010	2009
	£	£
Shared ownership loans	123,764	115,764

Included in shared ownership loans is an amount of £30,000 (2009 £30,000) loaned to an individual, who is both a teacher (Retired) and a trustee.

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

14. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	47,931	37,749
Fees in advance	43,024	34,116
Taxation and social security	15,794	14,614
Accruals and deferred income	6,659	5,273
Other creditors	4,977	3,898
	<u>118,385</u>	<u>95,650</u>

15. ANALYSIS OF FUNDS

	At 1 September 2009 £	Incoming resources £	Outgoing resources £	Transfer between funds £	At 31 August 2010 £
Restricted funds					
New Building Fund	-	76,996	8,725	-	68,271
PTA Fund	-	2226	2226	-	-
Eileen Hutchins Bursary Fund	-	11,012	11,012	-	-
	<u>-</u>	<u>90,234</u>	<u>21,963</u>	<u>--</u>	<u>68,271</u>
Unrestricted funds					
<i>Designated funds</i>					
Deferred Fee Agreement Fund	73,042	54,246	15,326	-	111,962
Staff Housing Fund	157,374	-	-	-	157,374
	<u>230,416</u>	<u>54,246</u>	<u>15,326</u>	<u>-</u>	<u>269,336</u>
General funds	436,165	1,214,585	1,196,257	-	454,493
	<u>666,581</u>	<u>1,268,831</u>	<u>1,211,583</u>	<u>-</u>	<u>723,829</u>
TOTAL FUNDS	<u>666,581</u>	<u>1,359,065</u>	<u>1,233,546</u>	<u>-</u>	<u>792,100</u>

Prior year adjustment

In 2009 a provision was made to include the charity's share of the defined benefit pension scheme deficit, based on the actuarial valuation at 31st March 2007.

In 2010, due to a policy change, the decision has been made to include payments to the defined benefit pension scheme deficit as and when they fall due. This decision has been made as it is not possible to obtain an FRS17 valuation of the charity's share of the scheme's deficit.

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

16. RESTRICTED FUNDS

Eileen Hutchins Bursary Fund

This fund is collected on behalf of the Eileen Hutchins Bursary Fund from 1% of fee income received and paid over at the end of the year in which it is collected.

Vision Project (New Building Fund)

This fund represents money raised for this project, less costs expended.

17. DESIGNATED FUNDS

Deferred Fee Agreement Fund (DFA)

The Deferred Fee Agreement Fund includes the DFA income received in the five years to 31 August 2010. This fund is designated for development of the School buildings, educational development and staff support. £105,000 will be transferred to the Vision Project.

Staff Housing Fund

The Staff Housing Fund is designated to enable staff members to obtain suitable local accommodation.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £	Designated funds £	Restricted funds £	At 31 August 2010 £
Tangible fixed assets	272,551	-	-	272,551
Current assets	300,327	145,572	68,271	514,170
Debtors falling due after more than one year	-	123,764	-	123,764
Creditors falling due within one year	(118,385)	-	-	(118,385)
Net assets	<u>454,493</u>	<u>269,336</u>	<u>68,271</u>	<u>792,100</u>

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

19. RELATED PARTY TRANSACTIONS

Tuition fees are charged by the charity on normal commercial terms to parent trustees. Teacher trustees received a 100% discount on tuition fees up to December 2004. From January 2005, they were required to pay 8% on tuition fees in line with all staff members. This was increased to 8.48% in January 2008. Discounts allowed in this respect amount to £5,950 (2009: £5,683). Fees are payable under normal payment terms and no interest is charged on overdue balances.

Tuition fees charged to Trustees during the year and amounts outstanding at the end of the year were as follows:

	2010	2009
	£	£
Tuition Fees	32,614	34,201
Amounts outstanding at the year end	4,190	11,464

Details of trustees who have received loans for staff housing are disclosed in the long term debtors note.

The Trustees who were remunerated for their employment by the school are R A Adams, M Friedeberg, H H Schneider, G Soukup and C Smith. All except C Smith were teachers at the school during the year.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2010 the charity had annual commitments under non-cancellable operating leases on assets other than land and buildings as set out below:

Operating leases which expire	2010	2009
	£	£
Within 2 - 5 years	4,251	4,251

There is no financial commitment regarding the land and buildings.

ELMFIELD RUDOLF STEINER SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2010

21. OPERATING SURPLUS/(DEFICIT)

	2010	2009
	£	£
Surplus / (Deficit) for Companies Act purposes*	125,519	(77,882)
Less Vision project Income	(76,996)	-
Less Deferred fee income**	(38,920)	(36,187)
Less Shared Equity Loan Income***	-	-
Add Vision project spend	8,725	87,160
	<u>18,328</u>	<u>(26,909)</u>
Net operating surplus /(deficit)	<u>18,328</u>	<u>(26,909)</u>

* comprises net incoming resources, adjusted for realised profits and losses on disposal of fixed assets.

** Deferred Fee Income is designated as a fund for use for development projects. Given the pension deficit funding required, it is likely that this income will be called upon in order to minimise the impact of this emergency on the School's activities.

*** Shared Equity Loan: this fund enables the School to take an equity share in a property with teachers who otherwise would find housing problematic and as such is considered helpful in the recruitment and retention of teaching staff. The sum returned last year has already been re-used by another staff member.

Net Operating Surplus represents the sum Finance Committee considered as the real balance of the School's income and expenditure for the year, with exceptional items removed.

22. PENSION SCHEME

The charity belongs to the Mercury Provident Pension Scheme, which is a defined benefit scheme and is now closed to new and existing members. This is a collective scheme for a number of employers. The Pension Administrators have deemed that it is not practicable or financially viable to produce the information necessary to allow participating employers to comply fully with the requirements of Financial Reporting Standard 17.

The Trustees commission an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 31st March 2007 by a professionally qualified Actuary. The market value of the Scheme's assets at the valuation date was £13 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £4.9 million. The charity's share of this shortfall was approximately £448,416 and a 20 year repayment plan was put in place. During the year the charity contributed £45,203 towards repayment of its share of the shortfall. Annual payments increase by 5% on 1 April of each year.

The Scheme Actuary has prepared an Actuarial Report that provides an approximated update on the funding position of the Scheme as at 31st March 2009. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update indicates a funding shortfall of £11.7 million, corresponding to a funding ratio of 45.8%. The school have been notified that the repayment plan is no longer considered sufficient, but await further details.

The next triennial formal valuation of the Scheme as at 31st March 2010 is expected in Spring 2011.