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MYRRH LIMITED
ANNUAL REPORT AND ACCOUNTS
31 JULY 2004



MYRRH LIMITED

COMPANY NO	1975246 (England & Wales)
REGISTERED CHARITY NO	293464
DIRECTORS	Sr Una McCreesh (Chair) Major Gerard McGough Bernard Borland Dr Michael Dulake Pauline Farrell Desiree Howells Lloyd Booker Eugene Byrne Cecilia Burnette Daphne Marchant
COMPANY SECRETARY	Sr Una McCreesh
REGISTERED OFFICE	52 Ossory Road London SE1 5AN
AUDITORS	Christopher & Co Chartered Accountants 51a Anson Road Tufnell Park London N7 0AR
BANKERS	Unity Trust Bank Plc Nine Brindleyplace 4 Oozells Square Birmingham B1 2HB

MYRRH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 July 2004

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MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2004

The Directors present their report and the audited financial statements of the company for the year ended 31 July 2004.

Status and Activities

The Company is a private company, limited by guarantee and without any share capital. It is also a registered charity. The company's principal objects continue to be to:

- provide training and help, especially to those who find it hard to find suitable training elsewhere;
- improve trainees chances of finding suitable employment locally by providing good quality, inclusive learning experiences and access to recognised qualifications;
- *Promote all or any activities for the benefit of the community now or hereafter by law to be charitable.*

Financial Review

Net income for the year was £100,625 (2003: £88,523). This increase was mainly due to the extra funding allocated due to over accruing in the year ended 31 July 2004

At the balance sheet date the debt due to the Learning and Skills Council (LSC) in respect of a shortfall of funding targets in the years ended 31 July 1995 to 1996 amounted to £225,372. Repayments are being made in accordance with a recovery plan agreed with the LSC and it is expected that this balance will be reduced to approximately £175,368 by 31 July 2005. In view of the continuing progress of events, the directors are of the opinion that the company will be able to repay the remaining debt over the coming years and that it continues to be viable.

The Directors wish it to be noted that they are very pleased with the continuing and increasing financial stability. It should also be noted that official funding by the LSC over the year 2004/2005 has been notified, and the Company's reserves are recorded as very healthy.

(Continued)

MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2004 (continued)

Directors

The directors currently in office and throughout the year, except as stated, were as follows:

Sr Una McCreesh
Major Gerard McGough
Bernard Borland
Dr Michael Dulake
Pauline Farrell
Desiree Howells
Lloyd Booker
Eugene Byrne
Cecilia Burnette (Appointed 9 Feb 2004)
Daphne Marchant (Appointed 9 Feb 2004)

Directors' Responsibilities

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs at the end of its financial year and of its income and expenditure for the year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make adjustments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue to be in business.

The directors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy the company's financial position at any time and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(Continued)

MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2004 (continued)

Fixed Assets

The movements in fixed assets during the year are set out in note 7.

Auditors

A resolution to reappoint Christopher & Co will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the board



Major Gerard McGough
Director

Approved by the Board: 2 February 2005

MYRRH LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MYRRH LIMITED

We have audited the financial statements of Myrrh Limited for the year ended 31 July 2004 on pages 7 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective Responsibilities of Directors and Auditors

As described on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with the applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you, if in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors 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 Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 July 2004 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Christopher & Co
Chartered Accountants and
Registered Auditors

51a Anson Road
Tufnell Park
London N7 0AR



2 February 2005

MYRRH LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account
For the year ended 31 July 2004

		Restricted Funds	Unrestricted Funds	2004 Total	2003 Total
	Notes	£	£	£	£
INCOMING RESOURCES					
Grant Income	2	89,778	1,528,919	1,618,697	1,326,743
Interest Receivable		-	24,846	24,846	24,247
Other Income		-	27,638	27,638	19,468
Total Income		89,778	1,581,403	1,671,181	1,370,458
RESOURCES EXPENDED					
Direct Charitable Expenditure	3	89,778	1,173,359	1,263,137	1,011,368
Fundraising and Publicity	4	-	18,829	18,829	14,394
Management and Administration	5	-	288,590	288,590	256,173
Total Expenditure	6	89,778	1,480,778	1,570,556	1,281,935
NET INCOME FOR THE YEAR		-	100,625	100,625	88,523
Unrestricted Funds brought forward		-	816,085	816,085	727,562
UNRESTRICTED FUNDS at 31 July 2004	10	-	£916,710	£916,710	£816,085

All the company's activities in the above two financial years were derived from continuing operations. The company has no recognised gains or losses other than the income or expenditure for the above two financial years.

The financial statements are comprised of pages 7 to 13.

MYRRH LIMITED**BALANCE SHEET**

At 31 July 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible Assets	7	<u>312,244</u>	<u>300,647</u>
CURRENT ASSETS			
Debtors	8	127,237	14,496
Cash at bank and in hand		<u>760,966</u>	<u>841,065</u>
		888,203	855,561
CREDITORS: Amounts falling due within one year	9	<u>(283,737)</u>	<u>(340,123)</u>
Net Current Liabilities		<u>604,466</u>	<u>515,438</u>
Total Assets less Current Liabilities		<u><u>916,710</u></u>	<u><u>816,085</u></u>
CAPITAL			
Total Funds	10	<u><u>£916,710</u></u>	<u><u>£816,085</u></u>

The director acknowledges his responsibilities for:

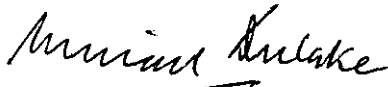
- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial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

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the
Board of Directors



Major Gerard Mc Gough
Director



Dr Michael Dulake
Director

Approved by the board on: 2 February 2005

The financial statements are comprised of pages 7 to 13

MYRRH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2004

1 ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice Accounting by Charities (SORP 2000) issued in October 2000 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Recognition of income

The annual allocation from the LSC, which is intended to meet recurrent costs, is credited to the statement of financial activities in accordance with funding achieved in the year. Any retrospective adjustments made by the LSC are reflected as soon as the company is made aware of them. Restricted funds represent funds received which are to be used for a specific purpose. Unrestricted funds can be used to carry out any of the company's objectives.

Income from contracts, and other services rendered is included to the extent of the completion of the contract or service concerned.

c) Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information.

Charitable expenditure comprises direct expenditure attributable to the provision of Education and includes an allocation of overheads consistent with use of the resources.

d) Equipment

Equipment costing less than £200 per individual item is written off to the income and expenditure account in the year of acquisition, unless part of a major refit. All other equipment is capitalised at cost.

Depreciation is provided at the following annual rates to write off each asset over its estimated useful life

Leasehold building	-2% straight line on cost
Plant and equipment	-20% straight line on cost
Motor vehicles	-20% straight line on cost

(Continued)

MYRRH LIMITED**NOTES TO FINANCIAL STATEMENTS**
For the year ended 31 July 2004 (continued)**1 ACCOUNTING POLICIES (continued)****e) Taxation**

As an exempt charity the company benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents.

The company is exempted from levying VAT on most of the services it provides to students and is not registered for VAT. For this reason the company is unable to recover input VAT it suffers on goods and services purchased.

2 GRANT INCOME

	2004	2003
	£	£
Current Year's Income	<u>1,618,697</u>	<u>1,326,743</u>

3 DIRECT CHARITABLE EXPENDITURE – Education Services

Direct Charitable Expenditure	Restricted Funds	Unrestricted Funds	Total 2004	Total 2003
	£	£	£	£
Teaching Staff Costs	-	715,908	715,908	571,883
Teaching Expenses	89,778	110,247	200,025	160,927
General Education Expenditure	-	45,795	45,795	32,580
Support Cost				
Premises & Equipment Costs	-	149,394	149,394	168,548
Support Staff Costs	-	131,775	131,775	71,207
Support Service Expenses	-	20,240	20,240	6,223
	<u>£89,778</u>	<u>£1,173,359</u>	<u>£1,263,137</u>	<u>£1,011,368</u>

4 FUNDRAISING AND PUBLICITY

	Restricted Funds	Unrestricted Funds	Total 2004	Total 2003
	£	£	£	£
Advertising	-	18,829	18,829	14,394
	<u>-</u>	<u>18,829</u>	<u>18,829</u>	<u>14,394</u>

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 July 2004 (continued)

5 MANAGEMENT AND ADMINISTRATION

Management and Administration	Restricted Funds	Unrestricted Funds	Total 2004	Total 2003
	£	£	£	£
Salaries and office costs	-	217,979	217,979	196,073
Legal and Professional Fees	-	63,561	63,561	53,050
Audit Fees	-	7,050	7,050	7,050
	<u>-</u>	<u>£288,590</u>	<u>£288,590</u>	<u>£256,173</u>

6 TOTAL RESOURCES EXPENDED

	Staff Costs	Depreciation	Other Costs	Total
	£	£	£	£
Education Services	847,683	49,347	366,107	1,263,137
Fundraising and Publicity	-	-	18,829	18,829
Management and Administration	142,018	-	146,572	288,590
	<u>£ 989,701</u>	<u>£49,347</u>	<u>£ 531,508</u>	<u>£1,570,556</u>

Staff Costs

	2004	2003
	£	£
Wages and Salaries	858,127	679,238
Social Security Costs	74,533	53,165
Pension Costs	57,041	42,350
	<u>£989,701</u>	<u>£774,753</u>

Other Costs

	2004	2003
	£	£
Premises	149,394	168,547
Miscellaneous	382,114	294,463
	<u>£531,508</u>	<u>£ 463,010</u>

No employee earned £40,000 per annum or more

	2004	2003
	Number	Number
The average number of employees analysed by function, was:		
Education Services	25	30
Management and Administration	5	5
	<u>30</u>	<u>35</u>

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 July 2004 (continued)

7 TANGIBLE FIXED ASSETS

	Property	Plant and Equipment	Motor Vehicles	Total
COST	£	£	£	£
At beginning of year	212,000	310,949	3,284	526,233
Additions in year	-	69,518	-	69,518
Disposals	-	(57,745)	-	(57,745)
At 31 July 2004	212,000	322,722	3,284	538,006
DEPRECIATION				
At beginning of year	25,440	198,175	1,971	225,586
Charge for year	3,240	45,451	656	49,347
Disposals	-	(49,171)	-	(49,171)
At 31 July 2004	28,680	194,455	2,627	225,762
NET BOOK VALUE				
At 31 July 2004	£183,320	£128,267	£657	£312,244
At 31 July 2003	£ 186,560	£112,774	£1,313	£300,647

8 DEBTORS: Amounts Falling Due Within One Year

	2004	2003
	£	£
Prepayments and Accrued Income	127,237	14,496
	£ 127,237	£ 14,496

9 CREDITORS: Amounts Falling Within One Year

	2004	2003
	£	£
Trade Creditors	25,198	19,334
Payments Received on Account	225,372	275,376
Other Taxation and Social Security	24,422	22,255
Accruals	8,745	23,158
	£ 283,737	£340,123

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 July 2004 (continued)

10 UNRESTRICTED FUNDS

	2004	2003
	£	£
At beginning of year	816,085	727,562
Net income for the year	100,625	88,523
At 31 July 2004	<u>£ 916,710</u>	<u>£816,085</u>

11 COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at the balance sheet date. The company occupies one of its premises under a lease with a rent of £30,000 per annum; the landlords are currently drawing up a new lease agreement for a minimum of 5 years with an option for 10 years at an expected rent of £35,000 per annum.

THESE NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS