

293464  
1975246

MYRRH LIMITED  
ANNUAL REPORT AND ACCOUNTS  
31 JULY 2002



**MYRRH LIMITED**

<b>COMPANY NO</b>	1975246 (England & Wales)
<b>REGISTERED CHARITY NO</b>	293464
<b>DIRECTORS</b>	Sr Una Mc Creesh (Chair) Major Gerard McGough Bernard Borland Dr Micheal Dulake Pauline Farrell Desiree Howells Christopher Richards Lloyd Booker Eugene Byrne
<b>COMPANY SECRETARY</b>	Sr Una Mc Creesh
<b>REGISTERED OFFICE</b>	52 Ossory Road London SE1 5AN
<b>AUDITORS</b>	Christopher & Co Chartered Accountants 51a Anson Road Tufnell Park London N7 0AR
<b>BANKERS</b>	Unity Trust Bank Plc Nine Brindley Place 4 Oozells Square Birmingham B1 2HB

**MYRRH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
For the year ended 31 July 2002

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## **MYRRH LIMITED**

### **DIRECTORS' REPORT**

For the year ended 31 July 2002

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The Directors present their report and the audited financial statements of the company for the year ended 31 July 2002.

#### **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 £457,741 (2001: £350,382). This increase was mainly due to an increase in grant income compared with the previous year.

At the balance sheet date the debt due to the Learning and Skills Council (LSC) in respect of a shortfall of its funding targets in the years ended 31 July 1995 to 1996 amounted to £325,380. 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 £275,376 by 31 July 2003. 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 Learning & Skills Council have confirmed their support by continuing to fund the company for the year ended 31 July 2004.

(continued)

## MYRRH LIMITED

### DIRECTORS' REPORT

for the year ended 31 July 2002 (continued)

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#### Directors

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

Sr Una McCresh  
Major Gerard McGough  
Bernard Borland  
Dr Michael Dulake  
Pauline Farrell  
Desiree Howells  
Christopher Richards  
Lloyd Booker  
Eugene Byrne (Appointed 6 June 2002)  
Anthony Lester (Resigned 10 October 2001)

#### 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 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 2002 (continued)

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**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.

Signed on behalf of the board.



Major Gerard McGough  
Director

Approved by the Board: 27 May 2003

## 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 2002 on pages 7 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), 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.

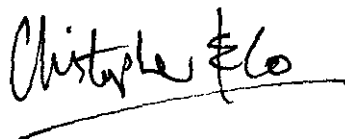
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2002 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 OAR



27 May 2003

**MYRRH LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
Incorporating the Income and Expenditure Account  
For the year ended 31 July 2002

		Restricted Funds	Unrestricted Funds	2002 Total	2001 Total
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
Grant Income	2	112,956	1,263,858	1,376,814	1,151,259
Donations and Gifts		-	-	-	400
Interest Receivable		-	18,519	18,519	8,512
Other Income		-	32,668	32,668	37,066
<b>Total Income</b>		<b>112,956</b>	<b>1,315,045</b>	<b>1,428,001</b>	<b>1,197,237</b>
<b>RESOURCES EXPENDED</b>					
Direct Charitable Expenditure	3	112,956	628,131	741,087	640,454
Fundraising and Publicity	4	-	13,703	13,703	13,689
Management and Administration	5	-	216,090	216,090	192,712
<b>Total Expenditure</b>	<b>6</b>	<b>112,956</b>	<b>857,924</b>	<b>970,880</b>	<b>846,855</b>
<b>NET INCOME FOR THE YEAR</b>		<b>-</b>	<b>457,121</b>	<b>457,121</b>	<b>350,382</b>
Unrestricted Funds brought forward		-	270,441	270,441	(79,941)
<b>UNRESTRICTED FUNDS at 31 July 2002</b>	<b>10</b>	<b>-</b>	<b>£727,562</b>	<b>£727,562</b>	<b>£ 270,441</b>

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 2002

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible Assets	7	<u>252,462</u>	<u>226,048</u>
<b>CURRENT ASSETS</b>			
Debtors	8	107,461	44,119
Cash at bank and in hand		<u>770,928</u>	<u>518,470</u>
		<u>878,389</u>	<u>562,589</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(403,289)</u>	<u>(518,196)</u>
<b>Net Current Liabilities</b>		<u>475,100</u>	<u>44,393</u>
<b>Total Assets less Current Liabilities</b>		<u><u>727,562</u></u>	<u><u>270,441</u></u>
<b>CAPITAL</b>			
Total Funds	10	<u><u>£727,562</u></u>	<u><u>£ 270,441</u></u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the  
Board of Directors



Major Gerard McGough  
Director

Approved by the board on: 27 May 2003

The financial statements are comprised of pages 7 to 13

## MYRRH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2002

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#### 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 March 2000).

##### 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 units 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 objects.

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

(continued)

**NOTES TO FINANCIAL STATEMENTS**  
for the year ended 31 July 2002 ( 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**

	2002 £	2001 £
Current Year's Income	1,376,814	1,173,163
Retrospective Adjustments to Prior Years' Income	-	(21,904)
	<u>£1,376,814</u>	<u>£1,151,259</u>

**3 DIRECT CHARITABLE EXPENDITURE – Education Services**

Direct Charitable Expenditure	Restricted Funds £	Unrestricted Funds £	Total 2002 £	Total 2001 £
Teaching Staff Costs	-	447,456	447,456	433,958
Teaching Expenses	112,956	4,707	117,663	82,936
General Education Expenditure	-	22,807	22,807	17,606
<b>Support Costs</b>				
Premises & Equipment Costs	-	102,043	102,043	79,629
Support Staff Costs	-	45,904	45,904	26,237
Support Service Expenses	-	5,214	5,214	88
	<u>£112,956</u>	<u>£628,131</u>	<u>£741,087</u>	<u>£640,454</u>

**4 FUNDRAISING AND PUBLICITY**

	Restricted Funds £	Unrestricted Funds £	Total 2002 £	Total 2001 £
Advertising	-	13,703	13,703	13,689
	<u>-</u>	<u>13,703</u>	<u>13,703</u>	<u>13,689</u>

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2002 (continued)

5 MANAGEMENT AND ADMINISTRATION

Management and Administration	Restricted Funds £	Unrestricted Funds £	Total 2002 £	Total 2001 £
Salaries and office costs	-	158,008	158,008	144,400
Legal and Professional Fees	-	51,620	51,620	42,437
Audit Fees	-	6,462	6,462	5,878
	-	<u>£216,090</u>	<u>£216,090</u>	<u>£192,712</u>

6 TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total £
Education Services	493,360	26,243	221,484	741,087
Fundraising and Publicity	-	-	13,703	13,703
Management and Administration	106,667	-	109,423	216,090
	<u>£ 600,027</u>	<u>£ 26,243</u>	<u>£ 344,610</u>	<u>£970,880</u>

Staff Costs

	2002 £	2001 £
Wages and Salaries	532,576	499,903
Social Security Costs	38,706	37,609
Pension Costs	28,745	25,026
	<u>£600,027</u>	<u>£ 562,538</u>

Other Costs

	2002 £	2001 £
Premises	102,043	79,629
Miscellaneous	242,567	180,521
	<u>£ 344,610</u>	<u>£ 260,150</u>

No employee earned £40,000 per annum or more

	2002 Number	2001 Number
The average number of employees analysed by function, was:		
Education Services	22	21
Management and Administration	5	5
	<u>27</u>	<u>26</u>

**MYRRH LIMITED**
**NOTES TO FINANCIAL STATEMENTS**  
**for the year ended 31 July 2002 (continued)**
**7 TANGIBLE FIXED ASSETS**

	Property	Plant and Equipment	Motor Vehicles	Total
COST	£	£	£	£
At beginning of year	212,000	240,211	3,284	455,495
Additions in year	-	52,683	-	52,683
Disposals	-	(74,222)	-	(74,222)
At 31 July 2001	212,000	218,672	3,284	433,956
<b>DEPRECIATION</b>				
At beginning of year	18,960	209,830	657	229,447
Charge for year	3,240	22,346	657	26,243
Disposals	-	(74,196)	-	(74,196)
At 31 July 2002	22,200	157,980	1,314	181,494
<b>NET BOOK VALUE</b>				
At 31 July 2002	<u>£189,800</u>	<u>£60,692</u>	<u>£1,970</u>	<u>£252,462</u>
At 31 July 2001	<u>£ 193,040</u>	<u>£ 30,381</u>	<u>£2,627</u>	<u>£ 226,048</u>

**8 DEBTORS: Amounts Falling Due Within One Year**

	2002 £	2001 £
Prepayments and Accrued Income	107,461	44,119
	<u>£ 107,461</u>	<u>£ 44,119</u>

**9 CREDITORS: Amounts Falling Within One Year**

	2002 £	2001 £
Trade Creditors	37,239	10,385
Payments Received on Account	325,380	479,251
Other Taxation and Social Security	12,104	10,436
Accruals	28,566	18,124
	<u>£ 403,289</u>	<u>£ 518,196</u>

**MYRRH LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 July 2002 (continued)**

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**10 UNRESTRICTED FUNDS (DEFICIT)**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
At beginning of year	270,441	(79,941)
Net income for the year	457,121	350,382
At 31 July 2002	<u><b>£ 727,562</b></u>	<u><b>£ 270,441</b></u>

**12 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 from Lambeth Council at a rent of £30,100 per annum, this lease is currently under negotiation for renewal at an expected rent of £35,000 per annum for a period of 10 years.

**THESE NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**