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MYRRH LIMITED
ANNUAL REPORT AND ACCOUNTS
31 JULY 2005



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COMPANIES HOUSE 09/03/2006

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 Brindley Place
4 Oozells Square
Birmingham B1 2HB

MYRRH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 July 2005

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MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2005

The Directors present their report and the audited financial statements of the company for the year ended 31 July 2005.

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 objectives 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 loss for the year was £110,421 (2004, net income: £100,625). This decrease was primarily due to an increase in staff costs and repair and maintenance work undertaken during the year.

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 £175,368. Repayments are being made in accordance with a recovery plan and subject to agreement with the LSC it is expected that this balance will be reduced to approximately £87,684 by 31 July 2006 with the remainder to be repaid by 31 May 2007.

The directors wish it to be noted that they are pleased with the results and that the company is now able to put reserves to good use in updating and improving the provisions to our students and staff.

(Continued)

MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2005 (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
Daphne Marchant

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 2005 (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: 9 February 2006

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 2005 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.

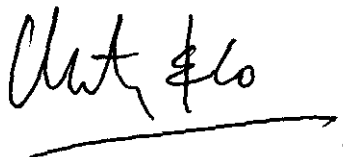
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2005 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



9 February 2006

MYRRH LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account
For the year ended 31 July 2005

		Restricted Funds	Unrestricted Funds	2005 Total	2004 Total
	Notes	£	£	£	£
INCOMING RESOURCES					
Grant Income	2	125,527	1,470,593	1,596,120	1,618,697
Interest Receivable		-	27,407	27,407	24,846
Other Income		-	14,819	14,819	27,638
Total Income		125,527	1,512,819	1,638,346	1,671,181
RESOURCES EXPENDED					
Direct Charitable Expenditure	3	125,527	1,198,444	1,323,971	1,263,137
Fundraising and Publicity	4	-	27,809	27,809	18,829
Governance Costs	5	-	396,987	396,987	288,590
Total Expenditure	6	125,527	1,623,240	1,748,767	1,570,556
NET (DEFICIT)/INCOME FOR YEAR		-	(110,421)	(110,421)	100,625
Unrestricted Funds brought forward		-	916,710	916,710	816,085
UNRESTRICTED FUNDS at 31 July 2005	10	-	£806,289	£806,289	£916,710

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 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible Assets	7	<u>325,547</u>	<u>312,244</u>
CURRENT ASSETS			
Debtors	8	42,829	127,237
Cash at bank and in hand		<u>685,302</u>	<u>760,966</u>
		<u>728,131</u>	<u>888,203</u>
CREDITORS: Amounts falling due within one year	9	<u>(247,389)</u>	<u>(283,737)</u>
Net Current Liabilities		<u>480,742</u>	<u>604,466</u>
Total Assets less Current Liabilities		<u><u>806,289</u></u>	<u><u>916,710</u></u>
CAPITAL			
Total Funds	10	<u><u>£806,289</u></u>	<u><u>£916,710</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 McGough
Director



Lloyd Booker
Director

Approved by the board on: 9 February 2006

The financial statements are comprised of pages 7 to 13

MYRRH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2005

1 ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 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

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

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.

Governance costs include those costs which relate to the charity's compliance with constitutional and statutory requirements and include audit fees, legal fees and the costs of the senior management team and their support staff.

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 2005 (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

	2005 £	2004 £
Current Year's Income	<u>1,596,120</u>	<u>1,618,697</u>

3 DIRECT CHARITABLE EXPENDITURE – Education Services

Direct Charitable Expenditure	Restricted Funds £	Unrestricted Funds £	Total 2005 £	Total 2004 £
Teaching Staff Costs	-	744,529	744,529	715,908
Teaching Expenses	125,527	63,271	188,798	200,025
General Education Expenditure	-	54,679	54,679	45,795
Support Cost				
Premises & Equipment Costs	-	165,563	165,563	149,394
Support Staff Costs	-	164,606	164,606	131,775
Support Service Expenses	-	5,796	5,796	20,240
	<u>£125,527</u>	<u>£1,198,444</u>	<u>£1,323,971</u>	<u>£1,263,137</u>

4 FUNDRAISING AND PUBLICITY

	Restricted Funds £	Unrestricted Funds £	Total 2005 £	Total 2004 £
Advertising	-	27,809	27,809	18,829
	<u>-</u>	<u>27,809</u>	<u>27,809</u>	<u>18,829</u>

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2005 (continued)

5 GOVERNANCE COSTS

Governance costs	Restricted Funds £	Unrestricted Funds £	Total 2005 £	Total 2004 £
Salaries and office costs	-	329,458	329,458	217,979
Legal and Professional Fees	-	59,526	59,526	63,561
Audit Fees	-	8,003	8,003	7,050
	-	<u>£396,987</u>	<u>£396,987</u>	<u>£288,590</u>

6 TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total £
Education Services	909,134	59,063	355,774	1,323,971
Fundraising and Publicity	-	-	27,809	27,809
Governance Costs	230,810	-	166,177	396,987
	<u>£ 1,139,944</u>	<u>£59,063</u>	<u>£ 549,760</u>	<u>£1,748,767</u>

Staff Costs

	2005 £	2004 £
Wages and Salaries	987,972	858,127
Social Security Costs	86,174	74,533
Pension Costs	65,798	57,041
	<u>£1,139,944</u>	<u>£989,701</u>

Other Costs

	2005 £	2004 £
Premises	165,563	149,394
Miscellaneous	384,197	382,114
	<u>£549,760</u>	<u>£ 531,508</u>

	2005 Number	2004 Number
The average number of employees analysed by function, was:		
Education Services	25	25
Governance	<u>5</u>	<u>5</u>
	<u>30</u>	<u>30</u>
Number of employees who earned between £60,000 and £70,000	<u>1</u>	<u>-</u>

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2005 (continued)

7 TANGIBLE FIXED ASSETS

	Property	Plant and Equipment	Motor Vehicles	Total
COST	£	£	£	£
At beginning of year	212,000	322,722	3,284	538,006
Additions in year	-	77,536	-	77,536
Disposals	-	(30,757)	-	(30,757)
At 31 July 2005	212,000	369,501	3,284	584,785
DEPRECIATION				
At beginning of year	28,680	194,455	2,627	225,762
Charge for year	3,240	55,167	656	59,063
Disposals	-	(25,587)	-	(25,587)
At 31 July 2005	31,920	224,035	3,283	259,238
NET BOOK VALUE				
At 31 July 2005	<u>£180,080</u>	<u>£145,466</u>	<u>£1</u>	<u>£325,547</u>
At 31 July 2004	<u>£ 183,320</u>	<u>£128,267</u>	<u>£657</u>	<u>£312,244</u>

8 DEBTORS: Amounts Falling Due Within One Year

	2005	2004
	£	£
Prepayments and Accrued Income	42,829	127,237
	<u>£ 42,829</u>	<u>£ 127,237</u>

9 CREDITORS: Amounts Falling Due Within One Year

	2005	2004
	£	£
Trade Creditors	35,419	25,198
Payments Received on Account	175,368	225,372
Other Taxation and Social Security	27,293	24,422
Accruals	9,309	8,745
	<u>£ 247,389</u>	<u>£283,737</u>

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2005 (continued)

10 UNRESTRICTED FUNDS

	2005	2004
	£	£
At beginning of year	916,710	816,085
Net (deficit)/income for the year	(110,421)	100,625
At 31 July 2005	<u>£ 806,289</u>	<u>£916,710</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 period of 5 years at an expected rent of £55,000 per annum increasing each anniversary in line with the retail price index.

THESE NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS