

MYRRH LIMITED
DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2009

WEDNESDAY



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COMPANIES HOUSE

MYRRH LIMITED

COMPANY NO	1975246 (England & Wales)
REGISTERED CHARITY NO	293464
DIRECTORS	Mrs Desiree Howells (Chair) Mr Bernard Borland Dr Michael Dulake Ms Pauline Farrell Mr Lloyd Booker Cllr Mrs Daphne Marchant Rev Dr Robert Kaggwa Ms Karen Roberts Mr Michael McLoughlin Mr Andrew Stables Mr Colin Garvey
COMPANY SECRETARY	Dr Michael Dulake
REGISTERED OFFICE	52 Ossory Road London SE1 5AN
AUDITORS	Christopher & Co Chartered Accountants Statutory Auditors 51a Anson Road Tufnell Park London N7 0AR
BANKERS	Unity Trust Bank Plc Nine Brindley Place 4 Oozells Square Birmingham B1 2HB

MYRRH LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the year ended 31 July 2009

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MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2009

The directors, who are also trustees for the purpose of Charity Law, present their report with the financial statements of the charitable company for the year ended 31 July 2009. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Structure, Governance and Management

Governing Document

The charitable company is a private company, limited by guarantee, as defined by the companies Act 2006 and without any share capital. It was incorporated on 6 January 1986 and was registered as a charity on 14 January 1986. It was established under a Memorandum of Association which established the objects and powers of the company and it is governed under its Articles of Association. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Directors

The board of directors shall consist of not less than three or more than fifteen provided that at all times at least 75% of the directors shall be Roman Catholic. Subject to the Articles of Association, the directors may appoint a person who is willing to act as a director either to fill a vacancy or as an additional director. A director so appointed shall hold office only until the next following Annual General Meeting whereupon he or she shall retire or seek reappointment.

No person shall be appointed or reappointed as a director at any general meeting unless he or she has attained the age of 18 years and is recommended by the directors, or not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member has been given to the company of the intention to propose a person for appointment or reappointment stating the particulars required by the Articles and providing a notice executed by that person of his or her willingness to be appointed or reappointed. Due notice and particulars, in accordance with the Articles, must also be given to all persons who are entitled to receive notice of the general meeting.

Under the requirements of the Articles, a director shall retire at the close of the Annual General Meeting nearest to the fourth anniversary of his or her appointment and he or she shall be eligible for reappointment for a further four years only, unless, in accordance with the Articles he or she is reappointed annually by the directors.

Directors Induction and Training

Most new directors are already familiar with the practical work of the company having visited the college and observed its activities prior to their appointment. Additionally, new directors are briefed regarding directors' powers, duties and obligations and are provided with copies of the Memorandum and Articles of Association, the latest annual report and audited accounts, and other relevant information.

Organisational Structure

The charitable company's board of directors meets regularly throughout the year and is responsible for the strategic direction and policy of the company. In addition there are various sub-committees of directors, with specific responsibilities, who report to the board. At present the board has directors from a variety of professional and ethnic backgrounds relevant to the work of the company.

The chair is responsible for ensuring that the company delivers the services specified and that the key performance indicators are met. The college principal has responsibility for day to day operational management, staff supervision and for ensuring that staff continue to develop their skills and working practices in line with best practice.

Objectives and Activities

The charitable company's principal objectives are to

- advance the education of the public by the provision of vocational education and training, and
- promote all or any activities for the benefit of the community now or hereafter deemed by law to be charitable

Provided that these objectives shall at all times be consistent with the ethics of the Roman Catholic Church or agency thereof.

(continued)

MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2009

Public Benefit

The company's charitable activities focus on

- providing high quality training and help, especially to those who find it hard to find suitable training elsewhere,
- improving trainees' chances of finding suitable employment, by providing inclusive learning experiences and access to recognised qualifications

Principal Funding Sources

The principal funding sources for the year were by way of grant and contract income from the Learning and Skills Council, as set out in note 2. In addition, other income was generated from student fees and from departmental takings, mostly motor vehicle and catering

Achievement and Performance

The directors are constantly striving to improve the delivery and quality of educational services provided

Financial Review

The net surplus for the year was £7,951 (2008 £38,354). This reduced surplus was mainly as a result of redundancies being made, due to the shortfall in Learning and Skills Council Funding in 2009/10.

Future Developments

During the financial year 2010/11, it is possible that the Learning and Skills Council funding may be further reduced, in addition the lease on one of the charitable company's buildings is due to expire which may mean it will have to find alternative premises. The directors plan to ensure that, notwithstanding these matters, the charitable company will provide continuous education and training to the highest standards and that the effects of possible funding cuts and relocation costs will be minimised.

Directors

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

Mrs Desiree Howells (Chair)
Mr Bernard Borland
Dr Michael Dulake
Ms Pauline Farrell
Mr Lloyd Booker
Mr Eugene Byrne (resigned 18 June 2009)
Cllr Mrs Daphne Marchant
Sr Bernadette Porter (resigned 2 July 2009)
Rev Dr Robert Kaggwa
Ms Karen Roberts
Mr Michael McLoughlin
Mr Andrew Stables
Mr Colin Garvey
Mrs Mairead Harrington (resigned 2 October 2008)

MYRRH LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2009 (continued)

Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- 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 at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each director has taken all the steps that ought to have been taken as a director in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Reserves Policy

The directors have examined the charitable company's requirements for reserves in the light of the future developments and its main financial risks. They have decided that general unrestricted funds should be conserved as much as possible over the coming two years to serve as a buffer against possible funding cuts and relocation costs. For a number of years general unrestricted reserves have ranged between 3 and 6 months of total expenditure.

Risk Management

The directors have considered the major risks to which the charitable company is exposed to ensure that where appropriate systems and procedures have been established to mitigate the risks the charity faces. These systems and procedures cover such matters as health and safety, internal controls to provide assurance against fraud and error and the possible diversity of funding.

Fixed Assets

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

Auditors

The auditors, Christopher & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Signed on behalf of the board



Mr Andrew Stables
Director

Approved by the Board 22nd April 2010

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 2009 on pages 8 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable 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 pages 5, the company's directors are responsible for the preparation of the Directors' 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you on our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 other transactions with the charitable company is not disclosed.

We read the Directors' 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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.

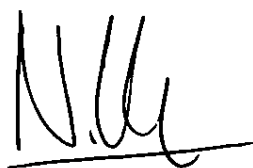
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MYRRH LIMITED
REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF MYRRH LIMITED (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the charitable company's state of affairs as at 31 July 2009 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 the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements



N Christopher
Senior Statutory Auditor
for and on behalf of
Christopher & Co
Chartered Accountants
Statutory Auditors
51a Anson Road
London N7 0AR

Date 22nd April 2010

MYRRH LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account
For the year ended 31 July 2009

		Restricted Funds	Unrestricted Funds	2009 Total	2008 Total
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming resources from charitable activities					
Grant and Contract Income	2	122,396	1,749,110	1,871,506	1,742,565
Activities for generating funds:					
Interest Receivable		-	8,694	8,694	20,494
Other Income		-	20,000	20,000	28,495
Total Incoming resources		122,396	1,777,804	1,900,200	1,791,554
RESOURCES EXPENDED					
Costs of generating funds:					
Charitable Activities	3	127,074	1,436,652	1,563,726	1,438,232
Fundraising and publicity	4	-	19,979	19,979	7,154
Governance costs	5	-	308,544	308,544	307,814
Total resources expended	6	127,074	1,765,175	1,892,249	1,753,200
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(4,678)	12,629	7,951	38,354
GAINS ON REVALUATION OF FIXED ASSETS FOR CHARITIES OWN USE					
		-	-	-	-
TOTAL FUNDS BROUGHT FORWARD		5,602	1,441,870	1,447,472	1,409,118
TOTAL FUNDS CARRIED FORWARD	10	£924	£1,454,499	£1,455,423	£1,447,472

All the company's activities in the above two financial years were derived from continuing operations
The financial statements are comprised of pages 8 to 15

MYRRH LIMITED

BALANCE SHEET

At 31 July 2009

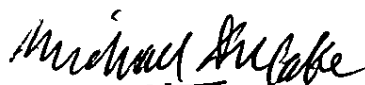
	Note	2009 £	2008 £
FIXED ASSETS			
Tangible Assets	7	<u>971,047</u>	<u>1,000,400</u>
CURRENT ASSETS			
Debtors	8	70,323	32,150
Cash at bank and in hand		<u>503,693</u>	<u>481,478</u>
		<u>574,016</u>	<u>513,628</u>
CREDITORS. Amounts falling due within one year	9	<u>(89,640)</u>	<u>(66,556)</u>
NET CURRENT ASSETS		<u>484,376</u>	<u>447,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,455,423</u></u>	<u><u>1,447,472</u></u>
TOTAL FUNDS	10	<u><u>1,455,423</u></u>	<u><u>1,447,472</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Signed on behalf of the
Board of Directors



Mr Andrew Stables
Director



Dr Michael Dulake
Director

Approved by the board on 22nd April 2010

The financial statements are comprised of pages 8 to 15

MYRRH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

1 ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, and in accordance with Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005)

b) Incoming resources

The annual allocation from the Learning and Skills Council, 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 Learning and Skills Council 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) Resources expended

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 and professional fees, and the costs of the senior management team and related office costs.

d) Tangible fixed assets

Equipment costing less than £500 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:

Freehold building	-2% straight line on its open market value
Plant and equipment	-20% straight line on cost

(continued)

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2009 (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 AND CONTRACT INCOME

	2009 £	2008 £
Learning and Skills Council	<u>1,871,506</u>	<u>1,742,565</u>
Contractual Services	1,749,110	1,613,413
Hardship Funds Grant	75,254	68,839
Childcare Funds Grant	47,142	50,000
Initial Teachers Training Grant	-	10,313
	<u>1,871,506</u>	<u>1,742,565</u>

3 CHARITABLE ACTIVITIES – Education Services

Charitable Expenditure	Restricted Funds £	Unrestricted Funds £	Total 2009 £	Total 2008 £
Teaching Staff Costs	-	836,025	836,025	748,259
Teaching Expenses	127,074	81,401	208,475	197,234
General Education Expenditure	-	109,350	109,350	150,123
Support Cost				
Premises & Equipment Costs	-	196,265	196,265	181,126
Support Staff Costs	-	211,084	211,084	157,092
Support Service Expenses	-	2,527	2,527	4,398
	<u>127,074</u>	<u>1,436,652</u>	<u>1,563,726</u>	<u>1,438,232</u>

4 FUNDRAISING AND PUBLICITY

	Restricted Funds £	Unrestricted Funds £	Total 2009 £	Total 2008 £
Advertising	-	19,979	19,979	7,154
	<u>-</u>	<u>19,979</u>	<u>19,979</u>	<u>7,154</u>

(continued)

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 July 2009 (continued)

5 GOVERNANCE COSTS

Governance costs	Restricted Funds £	Unrestricted Funds £	Total 2009 £	Total 2008 £
Salaries and office costs	-	289,215	289,215	288,574
Legal and Professional Fees	-	10,428	10,428	10,680
Audit Fees	-	8,901	8,901	8,560
	<u>-</u>	<u>308,544</u>	<u>308,544</u>	<u>307,814</u>

6 TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total £
Education Services	1,047,109	39,448	477,169	1,563,726
Fundraising and Publicity	-	-	19,979	19,979
Governance costs	260,491	-	48,053	308,544
	<u>1,307,600</u>	<u>39,448</u>	<u>545,201</u>	<u>1,892,249</u>

Staff Costs

	2009 £	2008 £
Wages and Salaries	1,137,375	989,594
Social Security Costs	97,975	83,240
Pension Costs	72,250	80,348
	<u>1,307,600</u>	<u>1,153,182</u>

Other Costs

	2009 £	2008 £
Premises	196,265	181,126
General Education and Teaching	278,377	295,641
Management and Administration	19,277	32,686
Support Services	2,527	4,398
Legal and Professional	19,329	19,240
Miscellaneous	29,426	15,211
	<u>545,201</u>	<u>548,302</u>

	2009 Number	2008 Number
The average number of employees analysed by function, was		
Education Services	25	25
Governance	5	5
	<u>30</u>	<u>30</u>

(continued)

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 July 2009 (continued)

7 TANGIBLE FIXED ASSETS

COST OR VALUATION	Land and Buildings £	Plant and Equipment £	Total £
At beginning of year	1,000,000	390,285	1,390,285
Additions in year	-	10,095	10,095
At 31 July 2009	<u>1,000,000</u>	<u>400,380</u>	<u>1,400,380</u>
DEPRECIATION			
At beginning of year	30,560	359,325	389,885
Charge for year	15,280	24,168	39,448
At 31 July 2009	<u>45,840</u>	<u>383,493</u>	<u>429,333</u>
NET BOOK VALUE			
At 31 July 2009	<u>954,160</u>	<u>16,887</u>	<u>971,047</u>
At 31 July 2008	<u>969,440</u>	<u>30,960</u>	<u>1,000,400</u>

Leasehold land and buildings were valued at 17 November 2006, by Kingleigh, Folkard & Hayward Limited, Chartered Surveyors, on the basis of existing use value. The directors consider that the amount at which land and buildings are carried fairly reflects their current open market value.

Cost or valuation at 31 July 2009 is represented by

	Land and Buildings £	Plant and Equipment £	Total £
Valuation in 2009	788,000	-	788,000
Cost	212,000	400,380	612,380
	<u>1,000,000</u>	<u>400,380</u>	<u>1,400,380</u>

8 DEBTORS: Amounts Falling Due Within One Year

	2009	2008
	£	£
Prepayments and Accrued Income	<u>70,883</u>	<u>32,150</u>

(continued)

MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS For the year ended 31 July 2009 (continued)

9 CREDITORS: Amounts Falling Due Within One Year

	2009	2008
	£	£
Trade Creditors	42,716	29,650
Taxation and Social Security	35,693	25,484
Accruals	11,231	11,422
	<u>89,640</u>	<u>66,556</u>

10 RECONCILIATION OF FUNDS	At 1 August 2008	Funds Received	Funds Expended	At 31 July 2009
	£	£	£	£
Restricted Funds				
Hardship Funds Grant	-	75,254	75,254	-
Childcare Funds Grant	-	47,142	47,142	-
Initial Teacher Training	5,602	-	4,678	924
	<u>5,602</u>	<u>122,396</u>	<u>127,074</u>	<u>924</u>
Unrestricted Funds				
Revaluation Fund	823,160	-	-	823,160
General Funds	618,710	1,777,804	1,765,175	631,339
	<u>1,441,870</u>	<u>1,777,804</u>	<u>1,765,175</u>	<u>1,454,499</u>
	<u>1,447,472</u>	<u>1,900,200</u>	<u>1,892,249</u>	<u>1,455,423</u>

Purposes of Restricted Funds

Hardship Funds This fund is to assist needy students with the costs of travel, books, materials, protective clothing etc and registration fees with awarding bodies

Childcare Funds This fund is to provide childcare fees for students

Initial Teachers Training: This fund covers the cost of additional training for teaching staff to ensure they are fully accredited to the highest standards

Purposes of Unrestricted Funds

Revaluation Fund This fund is required by the Companies Act 2006 and represents the amount by which land and buildings exceed their historical cost

General Funds These are incoming resources receivable or generated for the objects of the charity without specified purpose. These funds provide working capital and financial flexibility and their level is kept under regular review by the directors

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MYRRH LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2009 (continued)

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Fund balances at 31 July 2009 are represented by			
Tangible Fixed Assets	-	971,047	971,047
Current Assets	924	573,092	574,016
Current Liabilities	-	(89,640)	(89,640)
Total Net Assets	<u>924</u>	<u>1,454,499</u>	<u>1,455,423</u>

12 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. Each member's guarantee is limited to £1.

13 RELATED PARTY TRANSACTIONS

No director received any remuneration during the year, or had any personal interest in any contract or transaction entered into by the company during the year (2008: Nil).

14 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 5 year lease which commenced in February 2006. The rent is £58,000 per annum, index linked.

The company also occupies a building which is owned by the Roman Catholic diocese of Southwark. These premises are occupied under an informal licence agreement under which no rent is payable but the company is responsible for the upkeep and good decorative condition of the internal part of the building and for its general running costs. The company's occupation of the building is conditional upon it continuing to be used for the activities of a charitable educational institution and for no other purpose. Given this overriding condition the company does not consider that the provision of the use of the premises has any financial 'market value' in the generally accepted sense and accordingly no value is attributed thereto within the financial statements. The company is currently in the process of formalising this arrangement.

THESE NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS