

**ST MARY'S WESTBROOK
(A COMPANY LIMITED BY GUARANTEE)**

ACCOUNTS FOR THE YEAR ENDED 31st AUGUST 2004



Registered Company No: 3389502
Registered Charity No: 1063709

St Mary's Westbrook
(Company Limited by Guarantee and Registered Charity)

Annual Accounts
For the year ended 31 August 2004

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**St Mary's Westbrook
Governors and Advisors**

For the year ended 31 August 2004

Governors:

RM De Haan (Chairman)	
RH Benson	
BWC Bond	Resigned 17 January 2005
PR Bowden	
Sister BM Hampson	Resigned 8th December 2006
Mrs S Melchers	
VN Foster	Resigned 7 January 2004
Sister B Milligan	Resigned 8th December 2006
BT De Haan	Appointed 8th October 2003 Resigned 13 October 2004
PW Boorman	Appointed 8th October 2003 Resigned 29 November 2004
Mrs A Hazelden	Appointed 8th October 2003 Resigned 24 August 2004
Mrs R McCarthy	Appointed 8th October 2003 Resigned 31 August 2006
Mr M Varnals	Appointed 8th December 2006
Mr M Britland	Appointed 8th December 2006
Mr D Price	Appointed 8th December 2006

Secretary:

Mr M Seymour

Registered Auditors:

Reeves & Neylan
37 St Margarets Street
Canterbury
Kent
CT1 2TU

Solicitors:

Blake Laphorn Linnell
Harbour Court
Compass Road
North Harbour
Portsmouth PO6 4ST

Bankers:

National Westminster Bank Plc
Europa House
49 Sandgate Road
Folkestone
Kent CT20 1RW

Registered Office:

54-56 Shorncliffe Road
Folkestone
Kent
CT20 2NB

Headmaster

Mr N Washington-Jones

**St Mary's Westbrook
Trustees' & Governors' Report**

For the year ended 31 August 2004

The trustees and governors are pleased to submit their report and the accounts which cover the year 1 September 2003 to 31 August 2004.

The members confirm that the annual report and financial statements of the Charitable company comply with current statutory requirements, the requirements of the Charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

STATUS AND OBJECTIVE

The Company is governed by its memorandum and Articles of Association. The Charity is a company limited by guarantee with a dispensation to omit the word 'Limited' from its title.

The Company is a company limited by guarantee and does not have a share capital.

The prime objective of the company is to maintain the school as an educational charity.

The aim of the school is to offer children a good all round education and to prepare them for the next stage of their lives.

It is registered with the Charity Commission under No 1063709 and its company registration number is 3389502. There have been no changes in objective since the last annual report.

ACTIVITY

The principal activity of the company in the year has been the management as an educational charity of a co-educational school including a Kindergarten.

It is the policy of the school to attain the highest academic levels without excluding the extra curricular programme which aims to develop life-long leisure interests and help build self confidence and a desire to contribute to the community.

BUSINESS REVIEW

Examination results at Key Stage 1, 2 and 3 and at GCSE where 54% of all candidates achieved 5 or more A* to C grades were particularly pleasing.

Specialist teaching is provided in all subjects throughout the Junior School and we achieved 100% success rate at 11+ entry to Grammar Schools.

It must be stated that St Mary's Westbrook is non-selective. It has small classes and well qualified and experienced staff, contributing to the excellent standards throughout the school.

Continued expenditure on capital improvements and maintenance has been funded by loans from the NatWest Bank and De Haan Charitable Trust.

After careful consideration the governors resolved that the senior school would shut at the end of the Summer 2006 term.

The school would continue to run as a Co-Ed day Preparatory school and would be known as Westbrook House Preparatory School. Mr N Washington-Jones was appointed as head teacher.

RISK MANAGEMENT

The members have assessed the major risks to which the Charitable company is exposed, in particular those relating to the operations and finances of the Charitable company, and are satisfied that systems are in place to mitigate our exposure to the major risks.

St Mary's Westbrook
Trustees and Governors' Report

For the year ended 31 August 2004

GRANT MAKING POLICIES

Standard bursaries are given as follows:

Sibling discount	5%
Forces discount	10%
Staff discount	33%

The standard procedures for Independent schools are followed in determining the bursaries, scholarships and grants which are given. A few discretionary bursaries are made with the approval of the governors.

DEFICIT

The Governors are aware of the deficit in reserves and that the Charitable company has relied heavily on the support given by the bank.

Looking forwards, the Governors have made appropriate financial arrangements to enable the Charitable company to continue its operations.

FINANCIAL RESULT

The financial result for the year, after accounting for donations received, is net incoming resources of £17,520 (2003: Net outgoing resources £309,697).

GOVERNORS

The Governors of the school are Directors of the Company and Trustees of the Charity.

The following have served during the year:

RM De Haan (Chairman)		
RH Benson		
BWC Bond		
PR Bowden		
VN Foster		Resigned 7 January 2004
Sister BM Hampson		
Mrs S Melchers		
Sister B Milligan		
BT De Haan	Appointed 8 October 2003	Resigned 13 October 2004
PW Boorman	Appointed 8 October 2003	Resigned 29 November 2004
Mrs A Hazelden	Appointed 8 October 2003	Resigned 24 August 2004
Mrs R McCarthy	Appointed 8 October 2003	Resigned 31 August 2006

In accordance with the company's articles of association, an AGM was held on 13 October 2004. Sister Hampson and Sister Milligan retired and were re-elected.

Related parties

Mr R De Haan, as a trustee, is a related party of the charity. Mr R De Haan has given informal guarantees to the Charity's bankers in respect of loans and the overdraft facility provided.

Fixed Assets

Fixed assets acquired during the period are summarised in note 5 to the accounts.

**St Mary's Westbrook
Trustees and Governors' Report**

For the year ended 31 August 2004

Governors' Responsibilities

Company and charity law applicable to charities in England and Wales requires the trustees 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 of the surplus or deficit of the Charitable company for that period. In preparing those financial statements the Trustees have:

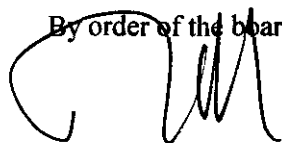
- selected suitable accounting policies and then apply them consistently
- made judgements and estimates that are reasonable and prudent
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at anytime and to enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

A resolution to reappoint Messrs Reeves & Neylan as auditors will be put to the members at the next annual general meeting.

By order of the board.



.....
RM De Haan
Governor
20 March 2007

St Mary's Westbrook

Independent Auditors' Report to the Members of St Mary's Westbrook Limited

We have audited the financial statements of St. Mary's Westbrook Limited for the year ended 31 August 2004 set out on pages 8 to 14. 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 as set out on page 10 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 234 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 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.

Respective Responsibilities of Members and Auditors

As described on page 5, Members who also act as Trustees for the charitable activities of St Mary's Westbrook are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Governors' Report is not consistent with the financial statements, if 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 Governors' remuneration and transactions with the Charitable company is not disclosed.

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

Basis Of 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 governors 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.

St Mary's Westbrook

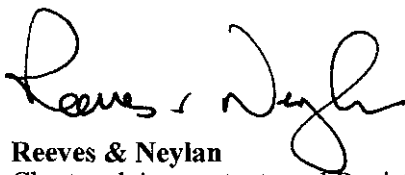
Independent Auditors' Report to the Members of St Mary's Westbrook Limited

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in principal accounting policy 1 of the financial statements concerning the financial support from the company's bankers, the De Haan Charitable Trust and Mr R De Haan. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

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



Reeves & Neylan
Chartered Accountants and Registered Auditors
Canterbury
Dated: 27 March 2007

St Mary's Westbrook
Statement of Financial Activities

For the year ended 31 August 2004

		2004	2003
Income and Expenditure			
Incoming Resources	Notes	£	£
Activities in furtherance of the Charity's objects	1	1,686,974	1,245,722
Other Income		142,121	84,256
Donations		5,000	5,500
Intangible Income		22,548	29,067
Total Incoming Resources		<u>1,856,643</u>	<u>1,364,545</u>
Resources Expended	2		
Costs of activities in furtherance of the Charity's objects			
Teaching Costs		947,180	904,699
Welfare		291,008	229,276
Premises		267,452	224,810
Costs of management and administration of the Charity			
Administration of School		233,782	207,778
Publicity		20,227	28,241
Bank and Loan Interest		56,573	37,822
Overseas Exhibitions		22,901	41,616
Total Resources Expended		<u>1,839,123</u>	<u>1,674,242</u>
Net Movements In Funds		17,520	(309,697)
Deficit Brought Forward at 1 September 2003		(826,911)	(517,214)
Deficit Carried Forward At 31 August 2004		(809,391)	(826,911)

The results above arise wholly from continuing activities.
The notes on pages 10 to 16 form part of these financial statements.
The SOFA includes all gains and losses recognised in the year.

**St Mary's Westbrook
Balance Sheet**

As at 31st August 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible fixed assets	5	251,304	258,004
CURRENT ASSETS			
Stocks		22,703	17,823
Debtors	6	994,163	803,028
Cash at bank and in hand		829	1,779
		<u>1,017,695</u>	<u>822,630</u>
CREDITORS: Amounts falling due within one year.	7	<u>(1,598,740)</u>	<u>(1,191,495)</u>
NET (CURRENT LIABILITIES)		<u>(581,045)</u>	<u>(368,865)</u>
TOTAL ASSETS Less CURRENT LIABILITIES		<u>(329,741)</u>	<u>(110,861)</u>
CREDITORS: Amounts falling due after more than one year.	8	<u>(479,650)</u>	<u>(716,050)</u>
TOTAL NET (LIABILITIES)		<u><u>(809,391)</u></u>	<u><u>(826,911)</u></u>

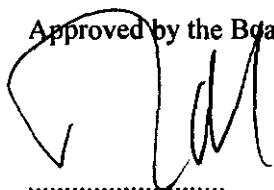
Represented by

UNRESTRICTED ACCUMULATED FUND

Fund brought forward	(826,911)	(517,214)
Surplus/(Deficit) for period	17,520	(309,697)
(Deficit) carried forward	<u>(809,391)</u>	<u>(826,911)</u>

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

Approved by the Board of Governors on 9 March 2005 and signed on its behalf by



.....
Roger De Haan
20 March 2007

The notes on pages 10 to 16 form part of these financial statements.

St Mary's Westbrook
Principal accounting policies

For the year ended 31 August 2004

1 Basis of Preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000, SORP Update Bulletin 1 issued in December 2002, applicable accounting standards and the Companies Act 1985.

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. In addition the company also has a bank loan of £400,000. These facilities are secured by way of guarantee provided by Mr RM De Haan, a Governor of the company. Loan facilities have also been provided by the De Haan Charitable Trust in which Mr De Haan is a trustee. See note 13 for further details.

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. As Mr R De Haan has indicated his intention to provide the charity with sufficient funds to enable it to meet its financial obligations for a period of 12 months from the date of this report, the financial statements have been prepared on a going concern basis by the Governors. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers or support from Mr R De Haan.

2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

3 Company Status

The Charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the Charitable company being wound up whilst they are members, or within 1 year after they cease to be members, the liability in respect of the guarantee is limited to £10 per member of the Charitable company.

4 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charitable company and which have not been designated for other purposes.

5 Tangible Fixed Assets

Depreciation on the following tangible fixed assets is provided on a straight line basis to write down assets to their estimated residual value over their expected useful lives.

Leasehold Improvements	4%
Furniture and equipment	0% - 20%
Computers	25% - 33%
Motor vehicles	15% -20%

6 Stocks

Stocks are valued at the lower of cost and net realisable value.

St Mary's Westbrook
Principal accounting policies

For the year ended 31 August 2004

7 Taxation

The company is an Educational Charity. The accounts are prepared on the basis that there is no liability to corporation tax. Any income tax suffered by deduction from donations received is recoverable.

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

8 Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the Charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fees consist of charges for the period ending 31 August 2004, less bursaries and allowances.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charitable company where this can be quantified and a third party is bearing no cost. No amounts are included in the financial statements for services donated by volunteers.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

9 Resources Expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charitable company and include project management carried out. Management and administration costs are those incurred in connection with the administration of the Charitable company and compliance with constitutional and statutory requirements.

VAT is irrecoverable and is included within the item of expense to which it relates. Renewals of furniture and equipment are written off as incurred.

10 Pensions

Pension contributions made during the year are charged to the income and expenditure account as incurred.

St Mary's Westbrook
Principal accounting policies

For the year ended 31 August 2004

11 Academic Supplies

Academic supplies are written off in the year in which the expenditure relates.

12 Advance Fees

Fees received in advance are held on behalf of parents and included in the statement of financial activities only when utilised in payment of school fees.

St Mary's Westbrook

Notes to the accounts for the year ended 31 August 2004

1 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	2004 £	2003 £
Gross Fees	1,976,148	1,461,294
Bursaries/Scholarships and Discounts	(289,174)	(215,572)
Net Fee Income	<u>1,686,974</u>	<u>1,245,722</u>
Number of Bursaries given	90	80

2 ANALYSIS OF RESOURCES EXPENDED

	2004 Staff Costs £	2004 Other £	2004 Depreciation £	2004 Total £	2003 Total £
Teaching costs	860,604	65,297	21,279	947,180	904,699
Catering, boarding house, cleaning and games costs	126,563	164,445		291,008	229,276
Premises	73,884	193,568		267,452	224,810
Administration of the school	125,344	100,245	8,193	233,782	207,778
Publicity costs		20,227		20,227	28,241
Bank and loan interest		56,573		56,573	37,822
Overseas exhibition costs		22,901		22,901	41,616
	<u>1,186,395</u>	<u>623,256</u>	<u>29,472</u>	<u>1,839,123</u>	<u>1,674,242</u>

3 STAFF COSTS

	2004 £	2003 £
Wages and Salaries	1,043,972	963,953
Social security costs	80,970	67,645
Other Pension	61,453	51,265
	<u>1,186,395</u>	<u>1,082,863</u>

The average number of employees (including part-time) in the period was:-

	2004	2003
Teaching	28	31
Catering, Matrons, cleaners	13	11
Maintenance	4	4
Administration	6	5
	<u>51</u>	<u>51</u>

The Governors received no remuneration, benefits or reimbursement of expenses.

4 NET OUTGOING/(INCOMING) RESOURCES FOR THE YEAR

	2004 £	2003 £
Net (outgoing)/incoming resources are arrived at after charging:-		
Depreciation	29,472	29,318
Auditors' remuneration	<u>4,256</u>	<u>4,585</u>

St Mary's Westbrook

Notes to the accounts for the year ended 31 August 2004

5 TANGIBLE FIXED ASSETS

Cost	Leasehold Improvements £	Computers £	Equipment (Inc Sports) £	Motor Vehicles £	TOTAL £
Brought Forward	230,565	35,908	98,544	20,392	385,409
Additions	12,057	8,586	2,129	-	22,772
At cost 31 August 2004	<u>242,622</u>	<u>44,494</u>	<u>100,673</u>	<u>20,392</u>	<u>408,181</u>
Depreciation					
Brought Forward	31,136	28,615	51,532	16,122	127,405
Depreciation charge for period	12,288	5,718	8,738	2,728	29,472
At 31 August 2004	<u>43,424</u>	<u>34,333</u>	<u>60,270</u>	<u>18,850</u>	<u>156,877</u>
Net Book Value 31 August 2004	<u>199,198</u>	<u>10,161</u>	<u>40,403</u>	<u>1,542</u>	<u>251,304</u>
Net Book Value 31 August 2003	<u>199,429</u>	<u>7,293</u>	<u>47,012</u>	<u>4,270</u>	<u>258,004</u>

6 DEBTORS	2004 £	2003 £
Pupil Fees	902,442	701,585
Other debtors	45,332	70,764
Prepayments	46,389	30,679
	<u>994,163</u>	<u>803,028</u>

7 CREDITORS - Amounts falling due within one year	2004 £	2003 £
Fees in advance	617,378	582,807
Bank Overdraft	508,513	100,346
Loans - De Haan Charitable trust	250,000	-
Trade creditors	67,954	70,777
Other taxes and social security	36,798	45,672
Other creditors	82,688	346,303
Accruals	35,409	45,590
	<u>1,598,740</u>	<u>1,191,495</u>

The loan of £250,000 has subsequently been donated.

8 CREDITORS - Amounts falling due after more than one year	2004 £	2003 £
Pupils' deposits held	79,650	66,050
Loan	400,000	650,000
	<u>479,650</u>	<u>716,050</u>

There is no formal security over the bank loan of £400,000, but this, plus the overdraft facility of £525,000 has been given by the bank on the basis of informal guarantees given by R De Haan.

St Mary's Westbrook

Notes to the accounts for the year ended 31 August 2004

9 ACCUMULATED FUNDS AND MEMBERS' GUARANTEE

In accordance with the company's articles of association any surpluses are carried forward to be applied solely towards the promotion of the objects of the company and as such no amounts are available for distribution. There are no funds carried forward.

St Mary's Westbrook is a company limited by guarantee and has no share capital. The liability of each member is limited to £10.

10 CAPITAL COMMITMENTS

As at 31 August 2004 (2003: £Nil) there were no capital commitments either contracted for or authorised.

11 PENSIONS

Payments are made to the Department of Education and Employment, in accordance with the Teachers' Pensions Agency rules, to fund qualifying teaching staff pension arrangements. The scheme provides defined benefits. The financial position of this fund is disclosed in its audited financial statements. The rate of the employers contributions is reviewed periodically on the basis of actuarial valuations. The pension charge for the period was £57,548 (2003: £47,389).

The company made contributions to certain non-teaching staffs' personal pension plans amounting to £3,905 (2003: £3,876) in the year, the contributions averaging 6% of salary in respect to these money purchase plans.

12 SCHOOL PREMISES

The company conducts its operations from premises previously occupied by Westbrook House Preparatory School and St Mary's College.

The ex Westbrook House premises are leased from the De Haan Charitable Trust for a nominal annual rent of £5 per annum under a 50 year lease which commenced 01 September 1997.

The premises formerly occupied by St Mary's College are leased from Miss B Milligan and Others for a nominal annual rent of £5 per annum under a 50 year lease which commenced 01 September 1997.

13 RELATED PARTIES TRANSACTIONS

St Mary's Westbrook has loan transactions with the De Haan Charitable Trust in which R De Haan, Chairman of the Governors, is a trustee.

A loan of £250,000 is outstanding to the Trust and was due for repayment by 19 September 2003. Interest accrued on this loan during the year was £11,786 (2003: £12,291), of which £5,000 was unpaid as at the year end. Subsequent to the year end it was agreed that the loan would remain outstanding until 18 February 2005 when it was converted to a donation.

R De Haan has personally guaranteed the bank overdraft and loan facility to the sum of £925,000.

The intangible income was donated by the SAGA Group Ltd of which R De Haan was formerly a director and shareholder. At the year end, £71,334 (2003: £295,424) was owed to Saga Group Ltd in respect of temporary funding which is both unsecured and interest free.

St Mary's Westbrook
Notes to the accounts for the year ended 31 August 2004

14 POST BALANCE SHEET EVENT

Trade debtors outstanding as at 31 August 2004 in the sum of £195,278 have subsequently been written off in the financial statements for the year ended 31 August 2005.

Senior School closure

After careful consideration the governors resolved that the senior school would shut at the end of the Summer 2006 term.

The school would continue to run as a Co-Ed day Preparatory school and would be known as Westbrook House Preparatory School. Mr N Washington-Jones was appointed as head teacher.