

THE POLLOK SCHOOL COMPANY
Recognised by the Inland Revenue as a Charity
(Limited by Guarantee
and not having a Share Capital)

REPORT AND ACCOUNTS

Year ended 30 June 1995

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Year ended 30 June 1995

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NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Members of The Pollok School Company will be held on 14 December 1995 at 4.00pm in the offices of Moores Rowland, Chartered Accountants, 25 Bothwell Street, Glasgow G2 6NL to transact the following business:

1. To receive and consider the accounts for the year ended 30 June 1995 and the reports of the directors and auditors thereon.
2. To re-elect directors.
3. To re-appoint the auditors.
4. To transact any other ordinary business of the company.

A member of the company entitled to attend and vote is entitled to appoint a proxy who need not be a member of the company to attend and vote instead of him.

By Order of the Board



MOORES ROWLAND

Secretaries

25 Bothwell Street
Glasgow G2 6NL

20 November 1995

Directors

J S Laird (Chairman)
D P Lindsay
Jean W Morgan
J B Park
Peter D Christie
K S G Fish
M G Fairman
Clare R Giles
Sue E Jerdan
Graham Bruce
J S Perry
Professor J R McDonald

DIRECTORS' REPORT

The Directors submit their report and the audited accounts of the company for the year ended 30 June 1995.

The principal and only activity of the company was the management of Craigholme School, an independent day school. An average of 496 pupils attended the School in Session 1994-95.

The ordinary operations of the company for the year ended 30 June 1995 resulted in a deficit of	£27,268
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To which has been added the cost of refurbishing Nos. 2 & 4 Hamilton Avenue	£92,910
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Making the total deficit for the year	<u>£120,178</u>
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Miss Anne C Ritchie resigned on 13 December 1994.

Mr J S Perry and Professor J R McDonald were appointed Directors on 24 January 1995 and being eligible offer themselves for re-election.

The Directors retiring by rotation are Mrs C R Giles and Mr J B Park who, being eligible, offer themselves for re-election.

On 6 February 1995 our auditors changed the name under which they practise to KPMG, and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Moore Rowland

MOORES ROWLAND

Secretaries

25 Bothwell Street
Glasgow
G2 6NL

20 November 1995

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STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE POLLOK SCHOOL COMPANY

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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.

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REPORT OF THE AUDITORS TO THE MEMBERS OF THE POLLOK SCHOOL
COMPANY (Continued)

Opinion

No provision for depreciation of freehold buildings has been made for the reason stated in note 1. This is contrary to the intention of Statement of Standard Accounting Practice No. 12. It is not practical for us to quantify the effect on the financial statements.

Subject to the above reservation, in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG

Chartered Accountants
Registered Auditors

24 Blythwood Square
Glasgow G2 4QS

20 November 1995

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PROFIT AND LOSS ACCOUNT

Year ended 30 June 1995

		1995	1994
	Note	£	£
TUITION FEES	2	1,468,196	1,465,988
Administrative expenses		1,586,473	1,447,472
OPERATING (DEFICIT)/SURPLUS	3	(118,277)	18,516
Investment income	5	762	1,805
		(117,515)	20,321
Interest payable	6	2,663	2,388
(DEFICIT)/SURPLUS FOR YEAR - transferred to Capital Reserve	12	(120,178)	17,933

All disclosures relate only to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1995	1994
	£	£
(Deficit)/surplus for the financial year	(120,178)	17,933
Capital and special levies	68,444	57,172
Grant from Craigholme School Centenary Fund	23,000	-
Capital released from Jephcott Trust	30,000	-
Donation to Prize Fund	-	400
Total recognised gains and losses relating to the year	1,266	75,505

The statement of cash flows and notes on pages 7 to 12 form part of these accounts

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BALANCE SHEET

As at 30 June 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	7	1,278,471	1,227,345
Investments	8	324	324
CURRENT ASSETS			
Debtors	9	50,802	48,212
Cash at bank and in hand		146,683	53,297
		<u>197,485</u>	<u>101,509</u>
CREDITORS: Amounts falling due within one year	10	351,166	205,330
NET CURRENT (LIABILITIES)		<u>(153,681)</u>	<u>(103,821)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,125,114	1,123,848
CREDITORS: Amounts falling due after more than one year	11	550	550
		<u>1,124,564</u>	<u>1,123,298</u>
CAPITAL RESERVE	12	<u>1,124,564</u>	<u>1,123,298</u>



D P LINDSAY Director

20 November 1995

The statement of cash flows and notes on pages 7 to 12 form part of these accounts

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1995

	1995	1994
	£	£
Net cash (outflow)/inflow from operating activities	(32,821)	70,401
Returns on investment and servicing of finance		
Interest and dividends received	762	1,805
Interest paid	(2,663)	(2,388)
	<u>(1,901)</u>	<u>(583)</u>
Net cash outflow from returns on investment and servicing of finance		
Investing activities		
Payments to acquire tangible fixed assets	(56,722)	(333,801)
Receipts from disposal of tangible fixed assets	-	204,091
	<u>(56,722)</u>	<u>(129,710)</u>
Net cash outflow on investing activities		
Net cash outflow before financing	(91,444)	(59,892)
Financing		
Capital levies	68,444	57,172
Donations	-	400
Grant from Craigholme School Trust	23,000	-
Capital released from Jephcott Trust	30,000	-
	<u>121,444</u>	<u>57,572</u>
Net cash inflow from financing		
Increase/(decrease) in cash and cash equivalents	<u>30,000</u>	<u>(2,320)</u>

Notes to the statement of cash flows

1. Reconciliation of operating surplus to net cash (outflow)/inflow from operating activities

Operating (deficit)/surplus	(118,277)	18,516
Depreciation charges	679	679
Decrease (increase) in debtors	(2,590)	29,580
Increase (decrease) in creditors (excl fixed assets)	87,367	21,626
	<u>(32,821)</u>	<u>70,401</u>

2. Analysis of changes in cash and cash equivalents during the year

Balance at 1 July 1994	37,566	39,886
Net cash inflow/(outflow)	30,000	(2,320)
	<u>67,566</u>	<u>37,566</u>
Balance at 30 June 1995		

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1995 (Continued)

3. Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	1995	1994	Change in 1995	Change in 1994
	£	£	£	£
Cash at bank and in hand	146,683	53,297	93,386	(69,349)
Bank overdraft	(79,117)	(15,731)	(63,386)	67,029
	<u>67,566</u>	<u>37,566</u>	<u>30,000</u>	<u>(2,320)</u>

RECONCILIATION OF MOVEMENTS IN CAPITAL
 RESERVE FOR THE YEAR ENDED 30 JUNE 1995

	1995	1994
	£	£
Capital reserve at 1 July	1,123,298	1,047,793
Capital levy	14,700	14,000
Special capital levy	53,744	43,172
Grant from Craigholme School Trust	23,000	-
Capital released from Jephcott Trust	30,000	-
Donated to Prize Fund	-	400
(Deficit)/Surplus for year	(120,178)	17,933
	<u>1,124,564</u>	<u>1,123,298</u>

NOTES ON THE ACCOUNTS Year ended 30 June 1995

1. Accounting policies

(i) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards except as noted at (ii) below.

(ii) Tangible fixed assets

No provision is made for depreciation of freehold property. The Directors consider that the requirements of SSAP 12 are not appropriate as major capital expenditure is met from a capital levy on tuition fees and contributions from outside sources. Leasehold improvements are written off on a straight line basis over the period of the lease. Replacements of Furniture, Fittings and Equipment are charged direct to Profit and Loss Account.

(iii) Pension costs

The costs of providing pensions and related benefits is charged to the profit and loss account over the period benefiting from the employees' services.

	1995	1994
2. Tuition fees	£	£
These are stated after deducting an amount of	<u>14,700</u>	<u>14,000</u>
which has been ascribed to capital levy (see note 12)		

3. Operating surplus

The surplus is stated after charging:

Staff costs (note 4)	1,213,759	1,165,396
Depreciation (note 7)	679	679
Auditors' remuneration	3,723	2,798
Directors' remuneration	-	-
Cost of refurbishing nos. 2 & 4 Hamilton Avenue	<u>92,910</u>	<u>-</u>

4. Employees

The average weekly number of persons employed by the company during the year was as follows:

	Number	Number
Teaching	56	54
Administration	4	4
Domestic and maintenance	19	19
	<u>79</u>	<u>77</u>

Staff costs comprise:

	£	£
Wages and salaries	1,066,364	1,021,041
Social security costs	79,308	78,880
Other pension costs	68,087	65,475
	<u>1,213,759</u>	<u>1,165,396</u>

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NOTES ON THE ACCOUNTS Year ended 30 June 1995

			1995	1994	
5.	Investment income		£	£	
	Income from listed investments		106	21	
	Interest on short term deposits		656	1,784	
			<u>762</u>	<u>1,805</u>	
6.	Interest payable				
	Bank overdraft interest		2,644	2,370	
	Debenture interest		19	18	
			<u>2,663</u>	<u>2,388</u>	
7.	Tangible fixed assets				
		Freehold property	Long term leasehold improvements, sports ground and pavilion	Alterations, furniture, fittings and equipment	Total
		£	£	£	£
	COST				
	At 1 July 1994	974,048	96,868	195,670	1,266,586
	Additions	11,354	-	40,451	51,805
	At 30 June 1995	<u>985,402</u>	<u>96,868</u>	<u>236,121</u>	<u>1,318,391</u>
	DEPRECIATION				
	At 1 July 1994	-	39,241	-	39,241
	Charge for year	-	679	-	679
	At 30 June 1995	<u>-</u>	<u>39,920</u>	<u>-</u>	<u>39,920</u>
	NET BOOK AMOUNT				
	At 30 June 1995	<u>985,402</u>	<u>56,948</u>	<u>236,121</u>	<u>1,278,471</u>
	At 30 June 1994	<u>974,048</u>	<u>57,627</u>	<u>195,670</u>	<u>1,227,345</u>

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NOTES ON THE ACCOUNTS Year ended 30 June 1995

	1995	1994
8. Investments	£	£
Listed on a recognised stock exchange - Prize Fund investments at cost 1 July 1994 and 30 June 1995	<u>324</u>	<u>324</u>
The market value of listed investments at 30 June 1995 was £265 (1994: £266)		
9. Debtors	£	£
Fee debtors	31,953	26,711
Prepayments and accrued income	<u>18,849</u>	<u>21,501</u>
	<u>50,802</u>	<u>48,212</u>
10. Creditors: Amounts falling due within one year		
Bank overdraft	79,117	15,731
Trade creditors	12,031	5,938
Taxation and social security	27,687	54,442
Accruals	216,092	104,638
Other creditors	<u>16,239</u>	<u>24,581</u>
	<u>351,166</u>	<u>205,330</u>
The company's bank overdraft facility is secured over certain freehold properties.		
11. Creditors: Amounts falling due after more than one year		
4% Debentures (repayable at par at company's option)	<u>550</u>	<u>550</u>

12./

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NOTES ON THE ACCOUNTS Year ended 30 June 1995

	1995	1994
	£	£
12. Capital Reserve		
Capital reserve as at 30 June 1994	1,112,086	1,036,981
Capital levy (see note 2)	14,700	14,000
Special capital levy	53,744	43,172
Grant from Craigholme School Trust	23,000	-
Capital released from Jephcott Trust	30,000	-
(Deficit)/surplus for year	(120,178)	17,933
	<u>1,113,352</u>	<u>1,112,086</u>
Specific Funds		
Hockey Pitch Appeal Fund	8,760	8,760
Sports Fund	267	267
Prize Fund	2,185	2,185
	<u>1,124,564</u>	<u>1,123,298</u>
As at 30 June 1995		

13. Capital commitments

The approximate amount of capital expenditure authorised by the directors for which no provision has been made in these accounts is:

	1995	1994
	£	£
Expenditure contracted for	58,493	40,000
Expenditure not contracted for	-	-
	<u>58,493</u>	<u>40,000</u>

14. Pensions

All full time and some part time teaching staff are members of the Scottish Teachers Superannuation Scheme. The Scheme provides defined benefits and is the responsibility of the Scottish Office Pensions Agency. Contributions during the year based on 8% of pensionable salaries totalled £66,990 (1994: £65,220). There is no superannuation fund and benefits are statutorily payable.

Non teaching staff are eligible to join the Strathclyde Regional Council superannuation fund and four members have elected to do so. Based on the actuarial advice on the Scheme the employers contribution of 30% of employees contributions during the year ended 31 March 1995 rises to 55% and 80% in the 1995/96 and 1996/97 financial years. Contributions during the year amounted to £1,097 (1994: £255).