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ST. MARY'S SCHOOL (MELROSE) LIMITED

A Charitable Company Limited by Guarantee

FINANCIAL STATEMENTS

For the year ended 31st July 2003



ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

FINANCIAL STATEMENTS
for the year ended 31st July, 2003

INDEX	Page
Report of the Governors	1 - 3
Report of the Auditors	4
<i>Statement of Financial Activities</i>	5
Balance Sheet	6
Principal Accounting Policies	7 - 8
Notes to the Financial Statements	9 - 13

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

FINANCIAL STATEMENTS
for the year ended 31st July, 2003

Company Registration Number:	SC 23577
Recognised Charity Number:	SC 009352
Registered Office:	Abbey Park, Melrose, Roxburghshire, TD6 9LN.
Governors:	Lord Sanderson of Bowden (Chairman) D.M.S. Spawforth (Vice-Chairman) The Hon. Lord Abernethy L.A.C. Ashby G.T.G. Baird P.M.A. Hardie D.M. Whalley L.C. Onslow D. Sturrock V. Dobie I. Wilson G.N. Farr
Secretary:	Neil W. Miller
Auditors:	Douglas Home & Co., Registered Auditors and Chartered Accountants, 47-49, The Square, Kelso, Roxburghshire, TD5 7HW.
Bankers:	The Royal Bank of Scotland, High Street, Melrose, Roxburghshire, TD6 9PF.

REPORT OF THE GOVERNORS

The Governors, who are also the Company Directors and the Charity Trustees, submit their report, together with financial statements, for the year ended 31st July, 2003.

Object

In accordance with the Charitable Company's Memorandum and Articles of Association, the object of the School is the advancement of education.

Principal Activity

The company operates an independent preparatory school.

Review of Activities and Financial Position

A surplus of £98,207 was achieved and transferred to the relevant funds.

During summer 2002, most of the work towards upgrading the boys and girls changing rooms had been completed. However because of delays, it was not until the end of 2002 that the boys' changing rooms became fully functional. The overall cost of the project was just under £97,000 of which £50,000 was funded via a bank loan, the rest from the Redevelopment Appeal which, to the financial year end, had raised the magnificent sum of £127,500.

Three major projects commenced during summer 2003 following on from the school Governor's decision to split Reception class into two streams because of increased pupil numbers. The projects involve the formation of two new classrooms from the Gannochy Hall, additional girls' toilets and additional car parking. At the financial year end, because of planning delays, progress was restricted to internal works within the Gannochy Hall with expenditure to date of £28,000. Overall estimated costs for these projects amount to some £79,500 excluding any extras, of which £20,000 will be funded from the Appeal, the rest from school income.

Upgrading repair works carried out during the year included school driveway £12,000, re-felting flat roofs £12,000 and further improvements following Health and Safety risk assessments where we are also working towards putting in place an asbestos management plan as required under new regulations.

H.M.I. Inspectors during their follow-up visit to the January 2001 inspections, were impressed by progress made, and no further follow-up visits will be required. We have also now registered with the Commission for the Regulation of Care in Scotland in respect of our boarding facilities.

Academically, the school's reputation was enhanced by Jayne Osborne being awarded Loretto's top academic scholarship, Cyprian Yonge a major scholarship to Fettes, with Art scholarships to Asia Scott and Poppy Litchfield.

Sporting activities continued to benefit from increased pupil numbers with good performances from the senior and junior rugby teams, cricket teams and girls' hockey, netball and rounders teams.

The music and drama departments also continue to go from strength to strength with the Lent Term production of 'Ill Met by Moonlight' being thoroughly enjoyed by both audience and participants.

Overall, pupil numbers continue to grow which bring further challenges of accommodation to be faced in the future.

Reserves Policy

The School continues to meet its day to day working capital requirements by means of a bank overdraft, and growth in the School is now producing a modest surplus on general fund, which is helping to achieve the objective of reducing the bank overdraft and build reserves to a level appropriate to meet current needs for the efficient financial management of the Schools activities, as well as funding ongoing capital improvement.

ST. MARY'S SCHOOL (MELROSE) LIMITED
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REPORT OF THE GOVERNORS (continued)

Governors

The Board of Governors determine the general policy of the School. The day to day management of the School is delegated to the Headmaster and the School Treasurer.

The present membership of the Board is set out below. All Governors served throughout the year except as stated below.

Lord Sanderson of Bowden and The Hon. Lord Abernethy retire by rotation at the A.G.M. and, being eligible, offer themselves for re-election as does G.N. Farr (appointed 10.3.2003). A special resolution is being prepared to allow re-election of L.A.C. Ashby and P.M.A. Hardie.

Lord Sanderson of Bowden (Chairman)	L.C. Onslow	P.M.A. Hardie
D.M.S. Spawforth (Vice-Chairman)	D. Sturrock	D.M. Whalley
G.T.G. Baird	I. Wilson	V. Dobie
The Hon. Lord Abernethy	L.A.C. Ashby	G.N. Farr (appointed 10.3.2003)

The company has no share capital and therefore no Governor holds any shares but each, as a member, has guaranteed to pay a sum of £1 if called upon.

Governors are elected in accordance with the terms set out in the Articles of Association. Governors are elected for a three year term for a maximum of four terms.

Governor's Responsibilities for the Financial Statements

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charitable company during the year and of the financial position at the end of the year. In preparing those financial statements, the Governors should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.*

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed Assets

The Governors are of the opinion that, in aggregate, the market value of land and building is no less than the book value of the assets.

ST. MARY'S SCHOOL (MELROSE) LIMITED
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REPORT OF THE GOVERNORS (continued)

Risk Management

The Board continues to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor steps which can be taken by which those risks already identified by the Governors can best be mitigated.

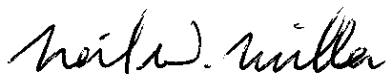
Auditors

Douglas Home & Co. offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

Small Company Exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



Neil W. Miller
Secretary

29/10/03

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

ST. MARY'S SCHOOL (MELROSE) LIMITED

We have audited the financial statements of St Mary's School (Melrose) Limited for the year ended 31st July 2003 on pages 5 to 13. These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities issued October 2000, under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Governors and Auditors

As described on page 3 the company's Governors, who also act as Trustees for the company's charitable activities, are responsible for the preparation of financial statements in accordance with 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 Governors 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 company is not disclosed.

We read the Report of the Governors and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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 mis-statement, 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 state of the charitable company's affairs at 31st July 2003 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.

Douglas Home & Co
Douglas Home & Co.,
Registered Auditors and Chartered Accountants,
47-49, The Square,
Kelso,
Roxburghshire,
TD5 7HW.

3 November 2003

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the Income and Expenditure Account)
For the year ended 31st July, 2003

	Note	Unrestricted Fund £	Restricted Funds £	Total 2003 £	Total 2002 £
Incoming Resources					
Donations and Bequests		1,160	-	1,160	1,267
Activities in furtherance of the charity's objects:					
Class and Boarding Fees		788,558	-	788,558	648,992
Enrolment Registration Fees		1,050	-	1,050	1,550
Kindergarten Fees		52,903	-	52,903	47,069
Sundry Receipts		3,557	-	3,557	1,279
Net Fundraising		692	-	692	966
Activities for generating funds: Appeal Income		-	44,538	44,538	98,704
Investment Income		-	24	24	17
Net Gain on Disposal of Tangible Fixed Assets		-	-	-	850
Total Incoming Resources		847,920	44,562	892,482	800,694
Resources Expended					
Costs of generating funds:					
Appeal Costs		-	8,046	8,046	6,953
Finance Costs		9,450	-	9,450	8,444
Charitable Expenditure:					
Costs of activities in furtherance of charity's objects		694,723	24,564	719,287	615,294
Support Costs		52,264	437	52,701	58,637
Management and Administration		4,791	-	4,791	4,950
Total Resources Expended	1	761,228	33,047	794,275	694,278
Net Incoming/(Outgoing) Resources before transfers		86,692	11,515	98,207	106,416
Transfers between Funds		(1,509)	1,509	-	-
Net Incoming/(Outgoing) Resources		85,183	13,024	98,207	106,416
(Losses)/Gains on Investments		-	92	92	(581)
Net Movement in Funds		85,183	13,116	98,299	105,835
Fund Balances Brought Forward		501,477	161,691	663,168	557,333
Fund Balances Carried Forward	9	586,660	174,807	761,467	663,168

The accompanying accounting policies and notes form an integral part of these financial statements.

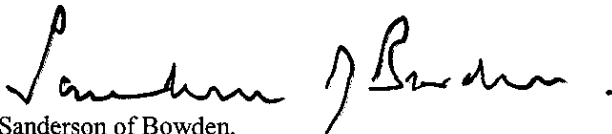
ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

BALANCE SHEET
At 31st July, 2003

	Note	2003 £	2002 £
Fixed Assets			
Tangible Assets	4	<u>915,154</u>	<u>828,337</u>
Current Assets			
Stock		4,668	4,309
Debtors	5	8,903	10,540
Investments	6	3,362	3,270
Cash at Bank		56,615	68,040
		<u>73,548</u>	<u>86,159</u>
Creditors: Amounts Falling Due Within One Year	7	(180,554)	(220,363)
Net Current Liabilities		<u>(107,006)</u>	<u>(134,204)</u>
Total Assets less Current Liabilities		808,148	694,133
Creditors: Amounts Falling Due After More than One Year	8	(46,681)	(30,965)
Total Net Assets		<u><u>£ 761,467</u></u>	<u><u>£ 663,168</u></u>
Reserves:			
- Unrestricted Funds			
General Fund	9	586,660	501,477
- Restricted Funds			
Bursary and Prize Fund	9	5,609	5,934
Centenary Debenture Sinking Fund	9	6,000	10,500
Development Campaign Fund	9	21,802	25,409
Redevelopment Appeal Fund	9	106,767	81,104
Designated Donations	9	34,629	38,744
		<u><u>£ 761,467</u></u>	<u><u>£ 663,168</u></u>

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

The financial statements were approved by the Board of Governors on *29th October 2003*


 Lord Sanderson of Bowden,
 Chairman.
29/10/03

The accompanying accounting policies and notes form an integral part of these financial statements.

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of heritable property and investments and in accordance with applicable accounting standards, and follow the recommendations in the Statement of Recommended Practice: Accounting by Charities issued October 2000.

The principal accounting policies are set out below. The policies have remained unchanged from the previous year.

Fees and Meal Charges

Fees and meal charges are the total amount receivable by the company in respect of school fees and outlays and meal charges, and is inclusive of any VAT suffered on outlays.

Depreciation

Depreciation is calculated to write down the cost or valuation of tangible fixed assets over their expected useful lives. The rates and methods generally applicable are:

Improvements to Property	10% reducing balance
Fixtures and Fittings	10% reducing balance
Plant and Equipment	25% straight line
Motor Vehicles	25% straight line

The company adopts a policy to maintain its heritable properties to a high standard and the Governors are therefore of the opinion that useful economic lives and residual values are such that any depreciation would not be material.

Stock

Stock is stated at the lower of cost and net realisable value.

Contributions to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the teachers superannuation scheme in respect of the accounting period.

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

PRINCIPAL ACCOUNTING POLICIES (continued)

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Investments

Following the publication of Statement of Recommended Practice "Accounting by Charities" investments are included at market value.

Realised gains or losses arising from disposals of investments and unrealised gains and losses are added or deducted from the appropriate fund.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the fulfilment of the charity's objectives (direct charitable);
- expenditure incurred directly in the effort to raise voluntary contributions (fund-raising and publicity); and
- expenditure incurred in the management and administration of the charity.

Fund Accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st July, 2003

1. Resources Expended

The movement in funds is stated after:

	2003 £	2002 £
Auditors' Remuneration	2,000	1,900
Depreciation - Owned Assets	31,974	22,902
- Assets under Hire Purchase Obligations	5,825	2,263
Operating Lease Rentals	-	542
	<u> </u>	<u> </u>

Resources Expended

Staff Costs	560,805	491,476
Depreciation	37,799	25,165
Bank Interest	7,688	8,444
Other Resources expended	187,983	169,193
	<u>£794,275</u>	<u>£694,278</u>

The average number of employees during the year was 30 (2002 - 27).

Further details of resources expended are as follows:

Costs of activities in furtherance of the charity's objects:

	2003 £	2002 £
Staff Costs	529,805	458,453
Catering	31,188	31,842
Books & Class Materials	10,967	14,886
Rent, Rates & Insurance	25,990	22,694
Light & Heat	17,899	19,167
Property Repairs	37,005	20,176
Other	28,634	22,911
Depreciation	37,799	25,165
	<u>£ 719,287</u>	<u>£ 615,294</u>

Support Costs:

Staff Costs	31,000	30,481
Printing, Stationery & Telephone	15,548	17,007
Marketing	6,153	11,149
	<u>£ 52,701</u>	<u>£ 58,637</u>

2. Governors' Remuneration

The Governors received no remuneration and no expenses were reimbursed during the year (2002 - nil).

The School purchased insurance to indemnify the Governors which was included as part of the public liability premium.

3. Taxation

The Company has been granted charitable status and is exempt from income tax by virtue of Section 505 of the Income and Corporation Taxes Act 1988, and from capital gains tax by virtue of the Capital Gains Tax Act 1979, Section 145.

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st July, 2003

4. Fixed Assets	Heritable Land and Buildings £	Fittings and Furniture £	Plant and Equipment £	Motor Vehicles £	Library £	Classrooms & Changing Rooms £	Total £
Cost or Valuation							
At 1st August, 2002	687,635	110,743	58,056	40,067	9,645	17,507	923,653
Additions	-	7,157	8,965	-	1,249	107,245	124,616
Disposals	-	-	-	-	-	-	-
At 31st July, 2003	<u>687,635</u>	<u>117,900</u>	<u>67,021</u>	<u>40,067</u>	<u>10,894</u>	<u>124,752</u>	<u>1,048,269</u>
Depreciation							
At 1st August, 2002	-	36,022	40,809	18,485	-	-	95,316
Charge for Year	-	8,197	11,020	7,838	1,090	9,654	37,799
Disposals	-	-	-	-	-	-	-
At 31st July, 2003	<u>-</u>	<u>44,219</u>	<u>51,829</u>	<u>26,323</u>	<u>1,090</u>	<u>9,654</u>	<u>133,115</u>
Net Book Value							
At 31st July, 2003	<u>687,635</u>	<u>73,681</u>	<u>15,192</u>	<u>13,744</u>	<u>9,804</u>	<u>115,098</u>	<u>915,154</u>
At 31st July, 2002	<u>687,635</u>	<u>74,721</u>	<u>17,247</u>	<u>21,582</u>	<u>9,645</u>	<u>17,507</u>	<u>£828,337</u>

The figures stated above for cost or valuation include a valuation as follows:

	Heritable Land and Buildings	
	2003 £	2002 £
At Cost	290,635	290,635
At 1991 Valuation	397,000	397,000
	<u>£ 687,635</u>	<u>£ 687,635</u>

The heritable land and buildings were valued on 31st July, 1991 by Lorne Brown Associates, Chartered Surveyors, on an open market basis. The charity adopted the transitional provisions of Financial Reporting Standard 15 and this valuation has not therefore been updated.

Included in the fixed assets above are assets held under hire purchase contracts as follows:

Class of Asset	Net Book Value		Depreciation Charge for Year	
	2003 £	2002 £	2003 £	2002 £
Plant and Machinery	2,150	3,226	1,076	1,076
Motor Vehicles	<u>13,059</u>	<u>17,808</u>	<u>4,749</u>	<u>1,187</u>
Capital Commitments			2003 £	2002 £
Contracted for - general fund			49,248	10,000
restricted fund			-	62,493
			<u>49,248</u>	<u>72,493</u>

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st July, 2003

5. Debtors	2003	2002
	£	£
Trade Debtors	7,299	10,240
Other Debtors	404	300
Prepayments	1,200	
	<u>8,903</u>	<u>10,540</u>

6. Current Asset Investments

Investments form part of the Bursary and Prize Funds (see note 9).

	2003	2002
	£	£
Listed U.K. Investments:		
Market Value at 1st August, 2002	3,270	2,490
Disposals at Opening Market Value (proceeds £1,052 loss £53)	-	(1,105)
Purchases at cost	-	2,413
Add net (Loss)/Gain on Revaluation at 31st July, 2003	92	(528)
	<u>£ 3,362</u>	<u>£ 3,270</u>
Total Market Value at 31st July, 2003	<u>£ 3,362</u>	<u>£ 3,270</u>
Historical Cost of Listed Investments at 31st July, 2003	<u>£ 3,009</u>	<u>£ 3,009</u>

7. Creditors: Amounts Falling Due Within One Year

	2003	2002
	£	£
Bank Loan	10,100	-
Bank Overdraft	138,539	179,921
Debentures	2,000	-
Hire Purchase Creditor	5,310	5,944
Other Taxes and Social Security	12,383	8,852
Accruals and Deferred Income	12,097	25,521
Loan - Deposited Covenant	125	125
	<u>£ 180,554</u>	<u>£ 220,363</u>

The bank overdraft is secured by a standard security over the school buildings and land and by a bond and floating charge over all of the company's assets. The H.P. creditor is secured on the assets to which it relates.

8. Creditors: Amounts Falling Due After More than One Year

	2003	2002
	£	£
Bank Loan	34,391	-
Debenture Loans	1,000	1,000
Centenary Debenture Loans	4,000	18,000
Hire Purchase	7,290	11,965
	<u>£ 46,681</u>	<u>£ 30,965</u>

The bank loan is repayable within five years.

Debentures bear interest at 2.5% per annum, and are repayable only at the option of the School.

Centenary debentures bear interest at 5% per annum, and are repayable by agreement at the rate of £2,000 per annum.

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st July, 2003

9. Funds

	Restricted					Unrestricted	Total £
	Bursary and Prize £	Development Campaign £	Centenary Debenture Sinking Fund £	Designated Donations £	Bursary & Redevelopment Appeal Fund £	General Fund £	
At 1st August, 2002	5,934	25,409	10,500	38,744	81,104	501,477	663,168
Net Incoming/Outgoing Resources	(417)	(3,607)	(4,500)	(4,115)	25,663	85,183	98,207
Unrealised (Losses)/Gain on Investments	92	-	-	-	-	-	92
At 31st July, 2003	<u>£ 5,609</u>	<u>£ 21,802</u>	<u>£ 6,000</u>	<u>£ 34,629</u>	<u>£ 106,767</u>	<u>£ 586,660</u>	<u>£ 761,467</u>

With the exception of the general fund, distributions from the above funds are restricted to specified purposes only.

Unrealised gains of £168,817 (2002 - £168,817) for tangible fixed assets are included in the General Fund above.

The Bursary and Prize Fund represents investments held, the income on which goes towards prizes during the academic year.

The Development Campaign Fund was set up in 1995 to raise funds towards the provision of new and enhanced school facilities for the use of its pupils and the surrounding community. Distributions from this fund are restricted to projects within the School's Development Plan. This fund is now fully expended on capital expenditure.

The Centenary Debenture Sinking Fund represents amounts set aside to enable the repayment of the debentures which are repayable by agreement at the rate of £2,000 per annum.

Designated Donations are donations received for a specific purpose, either to meet revenue expenditure or provide fixed assets for use by the School. During the year money has been received towards lights for the drama department, audio and video equipment for boarders and science equipment.

The Bursary and Redevelopment Appeal was further promoted during the year to raise funds for sponsorship of pupils qualifying for support and development of the school, in particular, the formation of a new Kindergarten classroom, changing room upgrading and further improvement work within the School.

10. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	Total £
Restricted Funds				
Bursary and Prize Fund	-	5,609	-	5,609
Development Campaign Fund	20,810	992	-	21,802
Centenary Debenture Sinking Fund	-	6,000	-	6,000
Designated Donations	26,557	8,072	-	34,629
Redevelopment Appeal Fund	115,745	25,413	(34,391)	106,767
	<u>163,112</u>	<u>46,086</u>	<u>(34,391)</u>	<u>174,807</u>
Unrestricted Funds	752,042	(153,092)	(12,290)	586,660
	<u>£915,154</u>	<u>£ (107,006)</u>	<u>£ (46,681)</u>	<u>£ 761,467</u>

ST. MARY'S SCHOOL (MELROSE) LIMITED
A Charitable Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st July, 2003

11. Pensions

Certain academic staff are members of the Scottish Teachers Superannuation Scheme. Staff contribute 6% of salary and the participating employer's contribution was 7.15% which rose to 7.40% from April 2003 (rising to 12.5% from 1 October 2003). The charge included in the financial statements amounts to £20,301, being the contributions payable by the School for the year. (2002 - £17,117).

12. Leasing Commitments

Annual payments under operating leases are due in respect of leases which expire:

	2003	2002
	£	£
Within one year	-	-
Between two and five years	862	542
	<u>862</u>	<u>542</u>

13. Transactions with Governors

Six Governors had children in attendance at the School during the year (2002 five Governors). All were charged at full rates.