

COMPANY NO SC 23577

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1995

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A Charitable Company Limited by Guarantee

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1995

Company registration number: SC23577

Registered office: Abbey Park
Melrose
Roxburghshire
TD6 9LN

Governors: G B A Watt (Chairman)
G T G Baird
Lt Col C G O Hogg
Mrs E J S Hogg
J M Hutchison
P J A Leggate
C S McGregor
G E Scott Watson
R G Swan

Secretary: Thomas B Kerr

Bankers: The Royal Bank of Scotland plc
Caledonian Bank plc

Solicitors: Iain Smith & Partners W.S.

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants

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FOR THE YEAR ENDED 31 JULY 1995

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

The Governors submit their report together with financial statements for the year ended 31 July 1995.

Principal activity

The company operates an independent preparatory school.

Governors

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

Mrs M J Martin and Mr R J Tweedie retired from the Board on 4 November 1994; Rev N Drummond and Mr A J D Rees retired from the Board on 21 August 1995 and Dr I E Lowles retired from the Board on 17 September 1995.

Mr G E Scott Watson and Lt Col C G O Hogg retire by rotation and, being eligible, offer themselves for re-election.

G B A Watt (Chairman)	G T G Baird	Lt Col C G O Hogg
Mrs E J S Hogg	J M Hutchison	P J A Leggate
C S McGregor	G E Scott-Watson	R G Swan

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' 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 state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records, for safeguarding the assets of the 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 buildings exceeds the book value of the assets.

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

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company exemptions

Advantage has been taken in the preparation of the Report of the Governors of special exemptions applicable to small companies.

BY ORDER OF THE BOARD



THOMAS B KERR
Secretary

24 October 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF

ST MARY'S SCHOOL (MELROSE) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of Governors and Auditors

As described on page 1 the company's Governors 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.

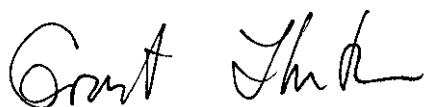
Basis of opinion

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 Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
EDINBURGH

24 October 1995

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

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

Turnover

Turnover is the total amount receivable by the company in respect of school fees and outlays and is inclusive of any VAT on outlays.

Depreciation

Depreciation is calculated to write down the cost or valuation of all tangible fixed assets, with the exception of freehold land and buildings, by equal annual instalments and by the reducing balance method over their expected useful lives. The rates generally applicable are:-

Fixtures and fittings	5% reducing balance
Plant and machinery	25% straight line
Motor vehicles	25% straight line

Stock

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

ST MARY'S SCHOOL (MELROSE) LIMITED
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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 1995

	Note	1995 £	1994 £
Turnover	1	442,875	423,454
Operating charges	1	405,769	360,912
		<u>37,106</u>	<u>62,542</u>
Net interest	2	(23,366)	(23,650)
Profit for the financial year	11	<u>13,740</u> =====	<u>38,892</u> =====

There were no recognised gains or losses other than the profit for the financial year.

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

ST MARY'S SCHOOL (MELROSE) LIMITED
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BALANCE SHEET

AT 31 JULY 1995

	Note	£	1995 £	1994 £
Fixed assets				
Tangible assets	5		772,517	774,396
Current assets				
Stock		810		1,047
Debtors	6	7,104		4,627
Investments	7	3,834		3,832
Cash at bank		3,806		459
		15,554		9,965
Creditors: amounts falling due within one year	8	(319,311)		(329,445)
Net current liabilities			(303,757)	(319,480)
Total assets less current liabilities			468,760	454,916
Creditors: amounts falling due after more than one year	9		(26,175)	(26,175)
			442,585	428,741
Capital and reserves				
Special funds	10		5,003	4,899
General fund	11		231,960	223,220
Revaluation reserve	11		193,622	193,622
Centenary debenture sinking fund	11		12,000	7,000
			442,585	428,741

The financial statements were approved by the Board of Governors on
24 October 1995.

Advantage has been taken in the preparation of the annual accounts of special exemptions applicable to small companies on the grounds that the company is entitled to the benefit of these exemptions as a small company.

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Chairman

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

ST MARY'S SCHOOL (MELROSE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1995

1 Turnover and profit on ordinary activities before taxation

The profit on ordinary activities is stated after:

	1995 £	1994 £
Auditors' remuneration	1,950	4,368
Depreciation	2,285	2,270
	=====	=====
Other operating income		
Rental income	3,080	2,770
Donations	5,474	53,609
Debentures gifted to school	-	1,975
Gain on sale of motor vehicle	-	800
Centenary events surplus	4,091	-
	=====	=====
	12,645	59,154
	=====	=====
Operating charges		
Other operating income	(12,645)	(59,154)
Staff costs	280,588	267,722
Depreciation	2,285	2,270
Other operating charges	135,541	150,074
	=====	=====
	405,769	360,912
	=====	=====

2 Net interest

	1995 £	1994 £
On bank loans, overdrafts and other loans:		
- repayable within 5 years, otherwise than by instalments	22,446	23,930
Other interest payable	920	480
Other interest receivable	-	(760)
	=====	=====
	23,366	23,650
	=====	=====

3 Governors' remuneration

The Governors received no remuneration during the year.

ST MARY'S SCHOOL (MELROSE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 1995

4 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.

5 Fixed assets

	Freehold buildings & grounds £	Fittings & furniture £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 August 1994	745,635	36,593	7,444	25,331	815,003
Additions	-	90	316	-	406
At 31 July 1995	745,635	36,683	7,760	25,331	815,409
Depreciation					
At 1 August 1994	-	10,528	4,749	25,330	40,607
Charge for year	-	1,308	977	-	2,285
At 31 July 1994	-	11,836	5,726	25,330	42,892
Net book value					
At 31 July 1995	745,635	24,847	2,034	1	772,517
At 31 July 1994	745,635	26,065	2,695	1	774,396

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

	Freehold buildings & grounds 1995 and 1994 £
At cost	290,635
At 1991 valuation	455,000
	<u>745,635</u>

ST MARY'S SCHOOL (MELROSE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 1995

6	Debtors	1995	1994
		£	£
	Trade debtors	7,104	4,065
	Other debtors	-	562
		<u>7,104</u>	<u>4,627</u>
		=====	=====

7 Current asset investments

Current asset investments are held on behalf of special funds (see note 10):

	1995	1994
	£	£
Bank and building society deposits	1,367	1,364
Investments	2,467	2,468
	<u>3,834</u>	<u>3,832</u>
	=====	=====

The market value of investments at 31 July 1995 was £3,000 (1994 - £2,901).

8 Creditors: amounts falling due within one year

	1995	1994
	£	£
Bank overdraft	287,097	302,209
Accruals and deferred income	25,903	21,464
Social security and other taxes	6,186	5,647
Loan - deposited covenant	125	125
	<u>319,311</u>	<u>329,445</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 assets.

ST MARY'S SCHOOL (MELROSE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 1995

9 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Debenture loans	1,175	1,175
Centenary debenture loans	25,000	25,000
	<u>26,175</u>	<u>26,175</u>
	=====	=====

Debentures bear interest @ 2.5% per annum, and are repayable only at the option of the School. During the year debentures gifted to the School amounted to £nil (1994 - £1,975).

Centenary debentures bear interest @ 5% per annum, and are repayable only at the option of the School between 1 January 2000 and 31 December 2002.

10 Special funds

	Bursary prize funds £	Prize funds £	Total £
At 1 August 1994	2,820	2,079	4,899
Income for year	104	136	240
Prizes expended	-	(136)	(136)
	<u>2,924</u>	<u>2,079</u>	<u>5,003</u>
	=====	=====	=====

11 Reserves

	Profit and loss account £	Centenary Debenture sinking fund £	Revaluation reserve £
At 1 August 1994	223,220	7,000	193,622
Profit for year	13,740	-	-
Transfer to sinking fund	(5,000)	5,000	-
	<u>231,960</u>	<u>12,000</u>	<u>193,622</u>
	=====	=====	=====

12 Capital commitments

The company had no capital commitments at 31 July 1995 or 31 July 1994.

13 Contingent liabilities

There were no contingent liabilities at 31 July 1995 or 31 July 1994.