

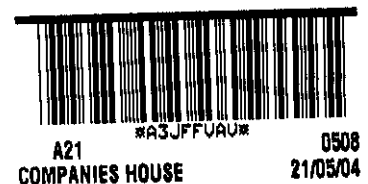
**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Being a Company Limited by Guarantee and  
Not Having a Share Capital

**STATUTORY FINANCIAL STATEMENTS**

For The Year Ended  
31 August 2003

Company No. 1894340  
Registered Charity No. 516289



**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

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# **AUSTIN FRIARS AND ST. MONICA'S PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

## **TRUSTEES REPORT**

The Trustees present their report and financial statements for the year ended 31 August 2003.

1. **Principal Activity of the Company**

The company provides education to children between the ages of three and eighteen years at an independent co-educational day school run according to the Augustinian Catholic ethos which uses the name of Austin Friars St. Monica's School.

2. **Governing Instrument**

The charity is a company limited by guarantee, registered under the Companies Act 1985, and its governing instrument is its Memorandum and Articles of Association originating on 12 March 1985, and substantially revised effective from 16 May 2003 upon the acquisition by gift of the undertaking of Austin Friars School.

3. **Charitable Status**

The company is registered as a charity with the Charity Commissioners under number 516289.

4. **Operational Policy**

The school strives to create opportunities for children to excel academically, musically and on the sports field.

5. **Review of the Business**

The result for the year includes the apportioned outcome for the period 16 May 2003 to 31 August 2003 of the former Austin Friars School, which was amalgamated with St. Monica's School effective from 16 May 2003.

The United School, with its strengthened unencumbered Balance Sheet, is now set for a period of sustained growth and investment in its facilities.

6. **Dividends and Transfer to Reserves**

The statement of financial activities for the year is set out on page 5. A surplus £30,740 (2002 deficit of £9,844) has been transferred to reserves. The company has no share capital and no dividend is therefore applicable.

7. **Fixed Assets**

The Freehold Land and Buildings of the amalgamated School were revalued during the year and the resultant unrealised surplus is reflected in the Balance Sheet as a Revaluation Reserve. The company completed the acquisition of the assets and activities of Austin Friars, its neighbouring independent co-educational secondary day school on 16 May 2003 under a scheme of amalgamation which received the necessary approval of the Charities Commission.

8. **Trustees**

The Trustees do not have any personal financial interest in the capital of the company.

The Trustees who served the company throughout the year were as follows:-

Mr. A. M. Walton - Chairman  
Mr. J. E. Morris  
Mrs. V. O'Neill  
Mrs. E. J. Stronach  
Mr. R. G. Watt

**AUSTIN FRIARS AND ST. MONICA'S  
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**TRUSTEES REPORT – (Continued)**

Mr. J.E. Morris and Mrs. V. O'Neill retire by rotation at the Annual General Meeting and are eligible for re-election.

Trustees appointed during the year were:-

Mr. M.P. Ward	appointed 26 February 2003
Mr. H. S. C. Dias	appointed 28 June 2003
Fr. P. V. Graham	" "
Mr. D.E. Kemp	" "
Fr. B. P. O'Connor	" "
Prof. S. W. J. Reid	" "
Dr. P. Tiplady	" "
Mrs. L. G. Wisdom	" "

All Trustees appointed during the year retire at the Annual General Meeting and are eligible for re-election.

No remuneration or expenses were paid to the Trustees in the year

**9. Professional Advisors and Key Personnel**

<b>Headmaster</b>	Mr. N.J.B. O'Sullivan
<b>Company Secretary</b>	Mr. J.A.E. Johnson
<b>Registered Office and Principal Address</b>	Etterby Scaur, Carlisle. CA3 9PB
<b>Bankers</b>	Royal Bank of Scotland plc, 37, Lowther Street, Carlisle. CA3 8EL
<b>Solicitors</b>	Burnetts, 6, Victoria Place, Carlisle. CA1 1DX
<b>Registered Auditor</b>	N.T. O'Reilly & Partners, Burnswick Street, Carlisle. CA1 1PN

**10. Statement of Trustees' Responsibilities**

Company law 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 Company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:-

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;

**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

**TRUSTEES REPORT – (Continued)**

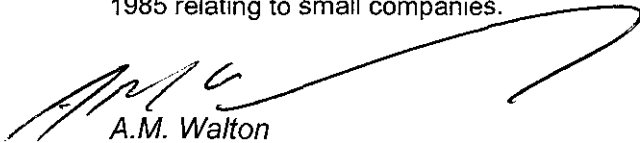
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**11. Auditors**

A resolution to re-appoint N.T. O'Reilly and Partners as auditors will be proposed at the forthcoming Annual General meeting.

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



A.M. Walton

..... A. M. Walton,  
Chairman of Trustees.

12 March 2004

..... Date

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

We have audited the financial statements of Austin Friars and St. Monica's Preparatory School Ltd. for the year ended 31 August 2003 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The trustees (who are also the directors of Austin Friars and St. Monica's Preparatory School Ltd. for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

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 Trustees' Annual Report is not consistent with the financial statements, if the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


**BASIS OF AUDIT 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 Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 charity's affairs as at 31 August 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**N.T. O'REILLY & PARTNERS,**  
Chartered Accountants and  
Registered Auditors,  
6, Brunswick Street,  
Carlisle.  
CA1 1PN

2 April 2004.

Date .....

**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

**STATEMENT OF FINANCIAL ACTIVITIES  
For The Year Ended 31 August 2003**

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	2003 TOTAL	2002 TOTAL
	Notes	£	£	£	£
<b>Income</b>					
Fees and Other Charges		1,081,186		1,081,186	445,179
<b>Fund Raising</b>					
Other Operating Income	2	71,848		71,848	20,549
Other Interest Receivable and Similar Income	3	8,380	55	8,435	10,234
Donations		4,812		4,812	580
Lettings		548		548	-
<b>Total Incoming Resources</b>		<u>1,166,774</u> =====	<u>55</u> =====	<u>1,166,829</u> =====	<u>476,542</u> =====
<b>Direct Charitable Expenditure:-</b>					
Employee Costs	5	765,402		765,402	290,040
Associated Teaching and Welfare Costs		123,131		123,131	73,849
Other Direct Costs		49,237	54	49,291	8,748
School Overheads		89,592		89,592	34,765
Depreciation		21,406		21,406	14,190
		<u>1,048,768</u>	<u>54</u>	<u>1,048,822</u>	<u>421,592</u>
<b>Other Expenditure:-</b>					
Management and Administration of the charity		87,267		87,267	64,794
<b>Total Resources Expended</b>		<u>1,136,035</u> =====	<u>54</u> =====	<u>1,136,089</u> =====	<u>486,386</u> =====

**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

**STATEMENT OF FINANCIAL ACTIVITIES  
For The Year Ended 31 August 2003  
(Continued)**

	Notes	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	2003 TOTAL £	2002 TOTAL £
<b>Net Incoming Resources</b>	4	30,739	1	30,740	(9,844)
Investment Gains		252		252	-
Fund Balances Transferred on Merger		12,202	6,452	18,654	-
Property Revaluation	13	2,003,666		2,003,666	-
<b>Fund Balances brought forward:-</b>					
General Fund		74,567		74,567	84,411
School Building Fund		337,500		337,500	337,500
<b>Fund Balances carried forward</b>	12	<u>2,458,926</u>	<u>6,453</u>	<u>2,465,379</u>	<u>412,067</u>

**Continuing Operations**

All activities derived from continuing operations.

**Total Recognised Gains and Losses**

There were no recognised gains or losses other than the surplus or deficit for the above two financial years.

The notes on pages 8 to 14 form part of these financial statements.



**AUSTIN FRIARS AND ST. MONICA'S  
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Being a Company Limited by Guarantee and Not Having a Share Capital

**BALANCE SHEET  
As At 31 August 2003**

		2003		2002	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	6		2,558,892		162,427
Investments	7		56,073		-
			<u>2,614,965</u>		<u>162,427</u>
<b>Current Assets</b>					
Stock	8	35,272		5,149	
Debtors	9	124,866		7,374	
Cash at Bank and in Hand		177,398		287,002	
		<u>337,536</u>		<u>299,525</u>	
<b>Creditors: due within one year</b>	10	<u>(487,122)</u>		<u>(49,885)</u>	
<b>Net Current Liabilities</b>			<u>(149,586)</u>		<u>249,640</u>
<b>Total Assets Less Current Liabilities</b>			<u>2,465,379</u>		<u>412,067</u>
			<u>=====</u>		<u>=====</u>
<b>Funds</b>					
Unrestricted Funds	12a		2,458,926		412,067
Restricted Funds	12b		6,453		-
<b>Total Funds</b>			<u>2,465,379</u>		<u>412,067</u>
			<u>=====</u>		<u>=====</u>

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

These financial statements were approved by the Board of Trustees on 12 March 2004.

  
A.M. Walton

Trustee A.M. Walton

The notes on pages 8 to 14 form part of these financial statements.

**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

**NOTES TO THE ACCOUNTS  
For The Year Ended 31 August 2003**

**1. Accounting Policies**

The financial statements have been prepared in accordance with the Financial Report Standard for Smaller Entities, the Companies Act 1985 and Statement of Recommended Practice for charities (S.O.R.P.) issued by U.K. accountancy bodies. The particular accounting policies adopted are:-

**a) Accounting Convention**

The financial statements are prepared under the historical cost convention.

**b) Turnover**

Turnover and retained surplus are derived from the Company's continuing principal activity of educational fees and enrolment charges in respect of pupils in the United Kingdom.

**c) Tangible Fixed Assets**

Depreciation is not provided on freehold land. On other assets it is provided on cost over the estimated useful lives of the assets. The rates of depreciation are as follows:-

Freehold Property	- 2% per annum straight line
Modular School Buildings	- Nil (fully depreciated)
Nursery	- 25% per annum reducing balance
Furniture, Fixtures and Equipment	- 5%-15% per annum reducing balance
Office Equipment	- 20% per annum reducing balance
Musical Instruments	- 5% per annum reducing balance
Vehicles	- 25% per annum reducing balance
Departmental Equipment	- 20% per annum reducing balance
Computer Equipment	- 25% per annum reducing balance
Computer Network	- Over 4 years
Plant and Machinery	- 20% per annum reducing balance

**d) Pension Costs**

The school participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme for its teaching staff. The pension liability is the responsibility of the Teachers Pension. As a result it is not possible to identify the assets and liabilities of the scheme that are attributed to the school. Accordingly under FRS17 the scheme is account for as if it were a defined contributions scheme.

**e) The Cash Flow Statement**

The Company is regarded as small under the Companies Act 1985 and has relied upon the exemption given under FRS 1 not to produce a cash flow statement.

**f) Taxation**

As a registered charity the Company is exempt from Corporation Tax, Income Tax and Capital Gains tax. The provision of education is an exempt activity for the purposes of Value Added Tax.

**AUSTIN FRIARS AND ST. MONICA'S  
PREPARATORY SCHOOL LTD.**

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

**NOTES TO THE ACCOUNTS  
For The Year Ended 31 August 2003  
(Continued)**

**1. Accounting Policies**

g) **Stocks**

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

h) The previous years figures where appropriate have been reinstated in line with the classifications used for the current year.

	2003 £	2002 £
<b>2. Other Operating Income</b>		
Ancillary School Activities	51,628	11,925
School Uniforms	20,220	8,624
	-----	-----
	71,848	20,549
	=====	=====
<b>3. Other Interest Receivable and Similar Income</b>		
Bank Interest	7,844	10,234
Investment Income	536	-
	-----	-----
	8,380	10,234
	=====	=====
<b>4. Surplus for the Year</b>		
This is stated after charging:-		
Depreciation	21,406	14,190
Operating Lease Rentals Land and Buildings	-	1,256
Auditors' Remuneration	3,525	1,469
	=====	=====

**AUSTIN FRIARS AND ST. MONICA'S  
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**NOTES TO THE ACCOUNTS  
For The Year Ended 31 August 2003  
(Continued)**

	2003 £	2002 £
<b>5. Staff Costs</b>		
Salaries	696,937	258,545
Social Security Costs	54,958	17,152
Pension Contributions	47,711	29,785
	-----	-----
	799,606	305,482
Less: Attributable to the administration of the Charity	34,204	15,442
	-----	-----
	765,402	290,040
	=====	=====

The school participates in the Government's Teachers Pension Defined Benefits Scheme for its Teaching Staff. Contribution rates are set by the Scheme and advised to the School by the Scheme Administrators. The contributions paid amounted to £47,711 (2002 £29,785).

The average number of employees in the year was:-

		2003 £	2002 £
Teaching	Full Time	42	10
Welfare		12	3
Premises		6	-
Support	Full Time	2	3
	Part Time	9	-
Management		6	2
		-----	-----
		77	18
		=====	=====

No employees earned more than £50,000 during the year.

**Trustees Remuneration**

The Trustees neither received or waived any emoluments during the year (2002 Nil). Mr. M.P. Ward (Trustee) is a director of Cumbria Insurance Brokers Ltd. who act as insurance brokers to the Company. Commissions earned and retained by Cumbria Insurance Brokers Ltd. in respect of the management of the Company's insurance arrangements during the year amounted to £1,331 (2002 Nil).

**AUSTIN FRIARS AND ST. MONICA'S  
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**NOTES TO THE ACCOUNTS  
For The Year Ended 31 August 2003  
(Continued)**

**5. Staff Costs – Continued**

Mr. J. Morris (Trustee) is Senior partner in the firm Burnetts Solicitors who act as Legal Service provider to the Company. During the year the charges made by Burnetts Solicitors amounted to £6,655.

**6. Tangible Fixed Assets**  
See Schedule - page 12

**7. Investments**

Investments are stated at Market Value.

	2003 £	2002 £
<b>8. Stocks</b>		
School Uniforms	35,272	5,149
	=====	=====

**9. Debtors**

Trade Debtors	56,537	2,096
Other Debtors	3696	-
Loan	4,097	-
Prepayments and Accrued Income	60,536	5,278
	-----	-----
	124,866	7,374
	=====	=====

**10. Creditors**

Trade Creditors	75,222	9,268
Social Security Costs	28,783	9,153
Other Creditors	19,065	-
Bank Overdraft	29,006	-
Accruals and Deferred Income	335,046	31,464
	-----	-----
	487,122	49,885
	=====	=====

# AUSTIN FRIARS AND ST. MONICA'S PREPARATORY SCHOOL LTD.

Registered Charity No. 516289

Being a Company Limited by Guarantee and Not Having a Share Capital

## TANGIBLE FIXED ASSETS For The Year Ended 31 August 2003

	Freehold Land and Buildings	Furniture, Fittings & Equipment	Office Equipment	Musical Instruments	Vehicles	Department Equipment	Computer Network and Equipment	Nursery	Plant and Machinery	Total
Cost or										
Valuation	289,658	39,493	-	-	-	-	-	29,090	-	358,241
Additions	70,321	33,589	2,533	8,977	500	5,502	16,649	-	12,716	150,787
Revaluation	2,267,084	-	-	-	-	-	-	-	-	2,267,084
As At 31.8.03	2,627,063	73,082	2,533	8,977	500	5,502	16,649	29,090	12,716	2,776,112
Depreciation										
At 1.9.02	172,062	18,860	-	-	-	-	-	4,892	-	195,814
Charge for Year	8,063	3,804	149	132	37	333	2,093	6,050	745	21,406
As at 31.8.03	180,125	22,664	149	132	37	333	2,093	10,942	745	217,220
Net Book Value										
As At 31.8.03	2,446,938	50,418	2,384	8,845	463	5,169	14,556	18,148	11,971	2,558,892
As At 31.8.02	141,794	20,633	-	-	-	-	-	-	-	162,427

A valuation of the Austin Friars School Land and Buildings acquired during the year by way of gift was carried out by Gerald Eves Chartered Surveyors, 7 Vine Street, London. The premises have therefore been included in the accounts at valuation £2,280,000. The existing property of the Company was valued by Carigiet Cowan, Chartered Surveyors, 26 Castle Street, Carlisle, producing a valuation of £175,000 adopted by the Company as its Book Value at the accounting date. Assets not depreciated consist of land valued at £1,345,000.

**AUSTIN FRIARS AND ST. MONICA'S  
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Being a Company Limited by Guarantee and Not Having a Share Capital

**NOTES TO THE ACCOUNTS  
For The Year Ended 31 August 2003  
(Continued)**

**11. Operating Lease Commitments**

The Company held a lease on Land and Buildings which expired following the merger with Austin Friars School (2002 £1,256).

**12. Funds**

a) Unrestricted

	School Buildings Fund	General Fund £	Prize Fund £	Contingency Fund £	Total £
Balance 1.9.02	337,500	74,567			412,067
Transfer of fund on Merger			5,000	7,202	12,202
Surplus for Year		30,739			30,739
Increase on Investments		252			252
Revaluation Reserve		2,003,666			2,003,666
	-----	-----	-----	-----	-----
<b>Balance 31.8.03</b>	<b>337,500</b>	<b>2,109,224</b>	<b>5,000</b>	<b>7,202</b>	<b>2,458,926</b>
	=====	=====	=====	=====	=====

b) Restricted (Pat Bailes)

Transfer on Merger	6,452
Surplus for year	1
	-----
<b>Balance 31.8.03</b>	<b>6,453</b>
	=====

**AUSTIN FRIARS AND ST. MONICA'S  
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**NOTES TO THE ACCOUNTS  
For The Year Ended 31 August 2003  
(Continued)**

	2003 £
<b>13. Revaluation Reserve</b>	
Increase in Property Valuations	2,267,085
Write-off Pre Acquisition Losses	(263,419)
	-----
	2,003,666
	=====