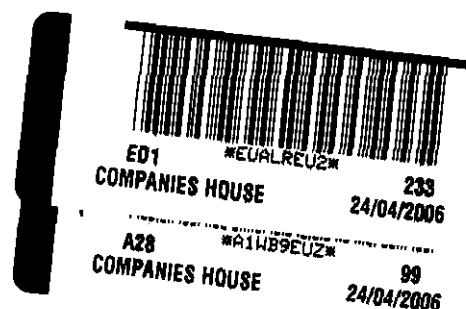


In Omnibus Caritas

Austin Friars & St Monica's Preparatory School Ltd

Audited Financial Statements for year ended 31 August, 2005

Company Registration Number 1894340



AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005

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**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

COMPANY INFORMATION

The board of trustees	Dr P Tiplady (Chairman) Mr E Amos Mr S P Graham Mr D E Kemp Mr J E Morris Prof. S W J Reid Fr B Rolls Mr H R Sims Mrs A Watts Mr M P Ward
Company secretary	Mrs J Murphy
Registered office	Etterby Scaur Carlisle Cumbria CA3 9PB
Auditors	Saint & Co Chartered Accountants & Registered Auditors Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
Bankers	The Royal Bank of Scotland Plc 37 Lowther Street Carlisle CA3 8EL
Solicitors	Burnetts 6 Victoria Place Carlisle CA1 1ES

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 AUGUST 2005**

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 August 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to provide 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.

LEGAL STATUS

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.

OBJECTIVES OF AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL LIMITED

The School strives to provide opportunities for children to fully develop their academic, musical and sporting potential in a pastorally sensitive and caring environment.

ORGANISATION

The Charity has two connected organisations which run to assist the School in achieving its aims. These are Austin Friars School Trading Limited (Company number 3091390), which operates the school transport and Austin Friars St Monica's Development Fund (Charity number 526867), whose objects are the advancement of education at Austin Friars St Monica's School.

The Trustees have overall responsibility for the Charity, and for any decisions made. The Trustees meet at least once per term, and their business is supported by a substructure of relevant Committees.

The day to day running of the School is delegated to the Headmaster, Mr. C J Lumb, who is assisted by the Senior Management Team.

FINANCIAL CONTROLS

An annual budget is prepared by the Finance Director and is presented to the Trustees prior to the commencement of the relevant financial year. The budget is monitored and compared to actual results on a regular basis by the Finance Director and any major variances are highlighted to the Trustees at their meetings.

INVESTMENT POWERS, RESTRICTIONS, POLICY AND RESTRICTIONS

Under the Memorandum and Articles of Association, the Charity has the power to invest the monies of the Company not immediately required as the Trustees think fit, subject to any conditions or consents as may be imposed or required by law.

No formal investment policy exists, but the Trustees try to achieve the best return from low risk investments.

A satisfactory rate of return was achieved during the year.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2005

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

The Trustees of the School have met regularly throughout the year, under the chairmanship of Dr Tiplady.

Following a review of the structure of the Board, its committees and consultative processes, the Trustees have created an Education Committee to set and monitor the academic and pastoral objectives of the School, and they have also re-established the Finance and General Purposes Committee to progress the School's plans for a major programme of redevelopment of some of its key facilities.

Messrs Chris Bisco, Steve Graham, and Howard Sims have joined the Board, bringing with them extensive and relevant business management skills and experience. They have replaced Mr Michael Walton, Fr Paul Graham OSA (ex officio as Provincial of the Augustinian Order), Mr Hugh Dias and Mrs Louise Wisdom who will all be missed for the variety of values which they contributed, Michael as Chairman and estates professional, who was also instrumental with Fr Paul in progressing the creation of the union of Austin Friars School with St Monica's School in 2003, Hugh as an independent school master and former pupil and Louise as a parent who has been closely involved in the School and its Junior Uniform Shop.

Special mention must also be made of Fr Bernard O'Connor OSA, who has retired as Trustee, having completed 49 years association with the School, including seven years as Headmaster between 1966 and 1973. His deep wisdom and experience of the School and its Augustinian character have greatly assisted the Trustees, particularly during these years of transition.

Fr David Middleton OSA, who recently succeeded Fr Paul Graham OSA as Provincial, has nominated Fr Bernard Rolls OSA to represent him as Trustee of the School following Fr Bernard's completion of this year of his teaching life at School, and this appointment continues the strong links between the Order and the School at a time of significant change and development.

The Trustees freely volunteer much time and energy to the School's affairs, and we benefit greatly from their strategic guidance, expertise and wise counsel. They have an onerous responsibility to safeguard the School's heritage and its prudent development, which they do not take lightly. The School is fortunate to have such an experienced and interested body of Trustees.

Since the year end, work has started on the construction of new science laboratory facilities (due to be completed October 2006) and planned approval has been granted for the construction of a "new state of the art" Junior School, scheduled for completion October 2007. In light of these exciting developments the Trustees have concluded a secured, medium term loan facility with the Clydesdale Bank Plc of £4m.

In addition to the above, improvements to the Study and Recreational facilities for the sixth form and enhancements to the Music School facilities are scheduled for completion in the Summer of 2006.

APPOINTMENT OF TRUSTEES

The Trustees select and appoint members to the Board based upon the balance of skills required by the School and the suitability of individuals to meet those needs.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2005

RESERVES POLICY

The Charity generates reserves to ensure funds are available to achieve the long term objectives of the School. The levels of reserves required is based upon projections of income and expenditure, presently calculated up to 2010.

The target level of reserves is monitored by the Finance Director and if they appear likely to fall below the requirements of the School, the matter is immediately referred to the Board.

RISK MANAGEMENT

The Trustees of the Charity have reviewed the major risks to which the Charity is exposed and a system is in place to manage risk.

ROLE OF TRUSTEES

The Governing Body is responsible for determining the aims and overall conduct of the School. It sets and reviews the policies, plans and procedures that will ensure the best possible education for present and future pupils of the School, including the proper control of its finances.

TRAVEL AND SUBSISTENCE COSTS FOR THE TRUSTEES

During the year the Charity incurred travel and subsistence costs on behalf of the Trustees amounting to £nil (2004 - £nil). The number of Trustees who claimed expenses was nil.

RESULTS

The results for the year, and the charity's financial position at the end of the year are shown in the attached financial statements.

THE TRUSTEES

The trustees who served the charity during the period were as follows:

Dr P Tiplady (Chairman)	
Mr C Bisco	(Appointed 15 December 2004 & resigned 28 November 2005)
Mr S P Graham	(Appointed 12 November 2004)
Mr D E Kemp	
Mr J E Morris	
Fr B P O'Connor OSA	(Resigned 17 June 2005)
Prof. S W J Reid	
Fr B Rolls OSA	(Appointed 11 November 2005)
Mr H R Sims	(Appointed 2 October 2004)
Mrs E J Stronach	(Resigned 31 December 2005)
Mr M P Ward	
Mr R G Watt	(Retired 7 December 2005)
Fr P V Graham OSA	(Resigned 30 April 2005)
Mrs L G Wisdom	(Resigned 2 October 2004)
Mr H S C Dias	(Resigned 2 October 2004)
Mr E Amos	(Appointed 12 January 2006)
Mrs A Watts	(Appointed 15 February 2006)

In accordance with the provisions within the Memorandum and Articles of Association of the Company, Mr D E Kemp, Mr J E Morris, and Professor S Reid, retire by rotation and offer themselves for re-appointment. Father B Rolls, Mr E Amos and Mrs A Watts were appointed since the last Annual General Meeting and also offer themselves for re-appointment.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2005

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 charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985.

The trustees 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 re-appoint Saint & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.


SMALL COMPANY PROVISIONS

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

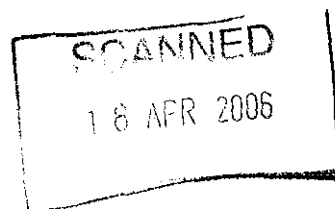
Registered office:
Etterby Seaur
Carlisle
Cumbria
CA3 9PB

Signed on behalf of the trustees


Mrs J Murphy
Company Secretary


Dr. P Tiplady
Chairman

Approved by the trustees on 17th March 2006.



**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUSTIN
FRIARS & ST MONICA'S PREPARATORY SCHOOL LIMITED**

YEAR ENDED 31 AUGUST 2005

We have audited the financial statements on pages 8 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 to 13.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The trustees' (who also act as Directors for the charitable activities of the company) 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 on pages 4 to 5.

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 the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. 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 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 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.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUSTIN
FRIARS & ST MONICA'S PREPARATORY SCHOOL LIMITED** *(continued)*

YEAR ENDED 31 AUGUST 2005

OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 August 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saint & Co

SAINT & CO
Chartered Accountants
& Registered Auditors

Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

17th March 2006

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES					
Donations	2	—	—	—	7,900
Income from charitable trading activities:					
Grants receivable	3	139,371	—	139,371	—
Charitable trading income	4	3,017,139	—	3,017,139	2,729,132
Income from non-charitable trading activities:					
Investment income	5	1,629	—	1,629	1,903
Interest receivable	6	21,084	—	21,084	11,731
Other income		161,679	—	161,679	164,985
TOTAL INCOMING RESOURCES		3,340,902	—	3,340,902	2,915,651
RESOURCES EXPENDED					
Charitable expenditure:					
Costs in furtherance of charitable objects	7	2,919,526	(418)	2,919,108	2,714,506
Management and administration	8	183,124	—	183,124	156,752
TOTAL RESOURCES EXPENDED	9	3,102,650	(418)	3,102,232	2,871,258
NET INCOMING RESOURCES FOR THE YEAR	13	238,252	418	238,670	44,393
Carried forward		<u>238,252</u>	<u>418</u>	<u>238,670</u>	<u>44,393</u>

The notes on pages 11 to 22 form part of these financial statements.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES *(continued)*

YEAR ENDED 31 AUGUST 2005

	Unrestricted Funds Note £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Brought forward	238,252	418	238,670	44,393
OTHER RECOGNISED GAINS AND LOSSES				
Net gains investment assets	7,797	-	7,797	1,595
Balances brought forward	2,504,965	6,402	2,511,367	2,465,379
Balances carried forward	<u>2,751,014</u>	<u>6,820</u>	<u>2,757,834</u>	<u>2,511,367</u>

The Statement of Financial Activities incorporates the Statement of Total
Recognised Gains and Losses required by FRS 3.

The charity has no recognised gains or losses other than the results for the
year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 11 to 22 form part of these financial statements.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 AUGUST 2005

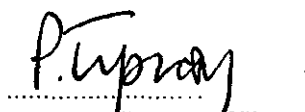
	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	14	2,980,415	2,650,031
Investments	15	66,324	57,789
		<u>3,046,739</u>	<u>2,707,820</u>
CURRENT ASSETS			
Stocks	16	26,452	41,252
Debtors	17	158,893	194,982
Cash at bank and in hand		200,773	234,132
		<u>386,118</u>	<u>470,366</u>
CREDITORS: Amounts falling due within one year	18	<u>(675,023)</u>	<u>(666,819)</u>
NET CURRENT LIABILITIES		(288,905)	(196,453)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,757,834</u>	<u>2,511,367</u>
NET ASSETS		<u>2,757,834</u>	<u>2,511,367</u>
FUNDS			
Restricted	21	6,820	6,402
Unrestricted	22	2,751,014	2,504,965
TOTAL FUNDS		<u>2,757,834</u>	<u>2,511,367</u>

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

These financial statements were approved by the members of the committee on the 17th March 2006 and are signed on their behalf by:



MR S P GRAHAM



DR P TIPLADY (CHAIRMAN)

SCANNED

18 APR 2006

The notes on pages 11 to 22 form part of these financial statements.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Donations

Donations received for the general purposes of the school are credited to unrestricted funds. *Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.*

Investment assets and income

Investments are stated at market value. Investment income is included in the accounts on an accruals basis. Realised and unrealised gains and losses are recognised in the statement of financial activities and credited or debited to the fund to which the investment relates.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- land nil, buildings 2% straight line
Computer equipment	- 25% reducing balance
Furniture, fittings and equipment	- 5-20% reducing balance
Motor vehicles	- 25% reducing balance
Nursery	- 25% reducing balance
Plant and machinery	- 20% reducing balance

Assets are valued at cost, except for land and buildings which are valued at market value.

Assets below £300 are not capitalised.

An impairment review is carried out by the Trustees on an annual basis.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005**

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Retirement benefits for the School's teaching staff are provided by the Teachers' Pensions Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of the pensions over employee's working lives with the School in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method.

The school offers a stakeholder pension to other employees.

Income

Income from school fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

Other income is accounted for on an accruals basis.

Expenditure

A charge is made in the Statement of Financial Activities account for any bad debts in respect of School fees and extras during the accounting year and provision made for any debts which are considered to be doubtful.

All other expenditure is charged to the Statement of Financial Activities on an accruals basis, it is not set off against income.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005**

1. ACCOUNTING POLICIES *(continued)*

VAT

The Charity is not VAT registered, therefore all items are stated VAT inclusive where applicable

Fund accounting

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds; are expendable at the discretion of the Trustees in furtherance of the objects of the school. In addition to expenditure on tuition, such funds may be held in order to finance capital investment and working capital.

Restricted funds; donations and or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.

Endowed funds; funds given to the School where the income may be used for general purposes, but the capital must be retained.

Designated funds; The School may at its discretion set aside funds for specific purposes, which would otherwise form part of the general reserves of the School.

2. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Miscellaneous donations	-	-	-	7,900

3. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Grants and donations received	1,347	-	1,347	-
Development Fund grants received	138,024	-	138,024	-
	<u>139,371</u>	<u>-</u>	<u>139,371</u>	<u>-</u>

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED**

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

4. CHARITABLE TRADING INCOME

	2005 £	2004 £
Tuition fees	3,173,182	2,861,634
Nursery fees	66,044	83,658
After school club income	20,380	22,461
Registration fees	2,135	2,110
Siblings discount	(34,474)	(29,572)
School bursaries, grants and assisted places scheme	(82,353)	(94,973)
School scholarships	(66,504)	(61,188)
Staff discounts	(61,271)	(54,998)
 Income from charitable trading	 <u>3,017,139</u>	 <u>2,729,132</u>

5. INVESTMENT INCOME

	Value 2005 £	Value 2004 £	Income 2005 £	Income 2004 £
Other UK investments	<u>66,324</u>	<u>57,789</u>	<u>1,629</u>	<u>1,903</u>

6. INTEREST RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Bank interest receivable	<u>21,084</u>	<u>-</u>	<u>21,084</u>	<u>11,731</u>

7. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Provision of charitable services:				
Costs of providing educational services	2,919,526	(418)	2,919,108	2,714,506
	<u>2,919,526</u>	<u>(418)</u>	<u>2,919,108</u>	<u>2,714,506</u>

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005**

7. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS *(continued)*

Analysis of provision of charitable services:

	Staff costs £	Other costs £	Depreciation £	Total 2005 £	Total 2004 £
Costs of providing educational services	<u>2,076,110</u>	<u>781,834</u>	<u>61,164</u>	<u>2,919,108</u>	<u>2,714,506</u>

8. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Salaries	154,660	-	154,660	128,676
Management and admin costs	<u>28,464</u>	<u>-</u>	<u>28,464</u>	<u>28,076</u>
	<u>183,124</u>	<u>-</u>	<u>183,124</u>	<u>156,752</u>

9. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2005 £	Total Funds 2004 £
Direct charitable expenditure	2,076,110	61,164	781,834	2,919,108	2,714,508
Management and administration	<u>154,660</u>	<u>-</u>	<u>28,464</u>	<u>183,124</u>	<u>156,753</u>
	<u>2,230,770</u>	<u>61,164</u>	<u>810,298</u>	<u>3,102,232</u>	<u>2,871,261</u>

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005**

9. TOTAL RESOURCES EXPENDED *(continued)*

The aggregate payroll costs were:

	2005	2004
	£	£
Wages and salaries	2,081,951	1,923,510
Social security costs	148,819	127,054
	<u>2,230,770</u>	<u>2,050,564</u>

One employee earned over £60,000 during the year. Their salary was in the £60,000 to £70,000 band.

The contributions paid into the Teachers Pension Scheme amounted to £183,767 (2004: £165,167). The number of teaching staff in the Teachers Pension Scheme was 44 (2004: 46).

The School made a contribution to 0 (2004: 1) non-teaching member of staff's stakeholder pension during the year.

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2005	2004
	No	No
Teaching staff	50	45
Welfare staff	12	12
Premises staff	5	6
Support staff	11	8
Management and administration staff	7	7
	<u>85</u>	<u>78</u>

	2005	2004
	£	£
Other costs:		
Premises	167,526	162,948
Legal and professional	8,396	5,121
Other	634,276	595,514
	<u>810,198</u>	<u>763,583</u>

10. TRUSTEES INSURANCE COVER

Austin Friars and St. Monica's Preparatory School Limited have combined indemnity insurance against loss in the Charity from neglect or default of its Trustees, employees or agents. It also has insurance cover to indemnify the Trustees or officers against the consequences of neglect or default on their part. The cost of the insurance cover was £300. The total cover provided was £2 million.

**AUSTIN FRIARS & ST MONICA'S PREPARATORY SCHOOL
LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2005**

11. TRUSTEES' EMOLUMENTS

The trustees' emoluments were:

	2005 £	2004 £
Remuneration as trustees	—	—

12. 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.

13. NET INCOMING RESOURCES

Net incoming resources is stated after charging:

	2005 £	2004 £
Depreciation	61,164	57,114
Auditors' remuneration - as auditors	<u>2,541</u>	<u>2,468</u>

14. TANGIBLE FIXED ASSETS

	Brought forward 1 Sep 04 £	Additions £	Carried forward 31 Aug 05 £
COST			
Freehold property	2,619,029	238,486	2,857,515
Computer equipment	50,981	111,299	162,280
Furniture, fittings, & equipment	149,475	19,201	168,676
Motor vehicles	500	—	500
Nursery	29,090	999	30,089
Plant and machinery	17,886	21,563	39,449
	<u>2,866,961</u>	<u>391,548</u>	<u>3,258,509</u>

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14. TANGIBLE FIXED ASSETS *(continued)*

	Brought forward 1 Sep 04 £	Charges £	Carried forward 31 Aug 05 £
DEPRECIATION			
Freehold property	(146,012)	(25,479)	(171,491)
Computer equipment	(14,315)	(15,192)	(29,507)
Furniture, fittings, & equipment	(36,798)	(13,545)	(50,343)
Motor vehicles	(153)	(87)	(240)
Nursery	(15,479)	(3,653)	(19,132)
Plant and machinery	(4,173)	(3,208)	(7,381)
	<u>(216,930)</u>	<u>(61,164)</u>	<u>(278,094)</u>
		Brought forward 1 Sep 04 £	Carried forward 31 Aug 05 £
NET BOOK VALUE			
Freehold property		2,473,017	2,686,024
Computer equipment		36,666	132,773
Furniture, fittings, & equipment		112,677	118,333
Motor vehicles		347	260
Nursery		13,611	10,957
Plant and machinery		13,713	32,068
		<u>2,650,031</u>	<u>2,980,415</u>

A valuation was performed by Gerald Eves Chartered Surveyors, 7 Vine Street, London in June 2002. The land and buildings (excluding the Junior School Freehold Property) were valued at open market value at £2,280,000. The property was gifted to the Charity by the Augustinian Order in 2003.

The Junior School Freehold Property was valued at £175,000 (including £65,000 land element) in November 2002 by Carigiet Cowen, Chartered Surveyors, 26 Castle Street, Carlisle. The original cost of this property was £180,125 (including costs of adaptation to educational use), prior to the revaluation it had been depreciated to £117,595.

Freehold land and Buildings include land approximately valued at £1,345,000 which has not been depreciated.

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15. INVESTMENTS

Movement in market value

	2005 £	2004 £
Market value at 1 Sep 04	57,789	56,073
Investment gain	7,797	1,595
Interest received	738	121
Market value at 31 Aug 05	<u>66,324</u>	<u>57,789</u>
Historical cost at 31 Aug 05	<u>55,821</u>	<u>55,821</u>

Analysis of investments at 31 Aug 05 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Listed investments				
Unicorn Trust	15,105	-	15,105	12,367
NSB Investment account	7,593	-	7,593	7,374
C.O.I.F	36,706	6,920	43,626	38,048
	<u>59,404</u>	<u>6,920</u>	<u>66,324</u>	<u>57,789</u>

16. STOCKS

	2005 £	2004 £
Stock	<u>26,452</u>	<u>41,252</u>

17. DEBTORS

	2005 £	2004 £
Trade debtors	59,659	135,356
Trading Company loan	4,097	4,097
Other debtors	2,482	5,408
Prepayments	92,655	50,121
	<u>158,893</u>	<u>194,982</u>

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18. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Trade creditors	79,544	51,502
Taxation and social security	50,299	47,052
Other creditors	25,226	31,999
TPS pension control account	23,195	22,967
Fees paid in advance	413,106	452,721
Entrance deposits	57,050	35,150
Accruals	26,603	25,428
	<u>675,023</u>	<u>666,819</u>

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19. PENSION SCHEME

The School's teaching staff belong to one principal pension scheme, the Teachers' Pension Scheme England and Wales (TPS) which is a defined benefit scheme.

The TPS is an unfunded defined benefit scheme. Contributions on a pay-as-you-go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972.

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have been the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2001
Actuarial method	Prospective benefits
Investment returns per annum	7.0% per annum
Salary scale increases per annum	5.0% per annum
Market value of assets at date of last valuation	£142,880 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	100%

Following the implementation of the Teachers Pension (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the levels of employers' contributions. This rate was increased from 8.35% to 13.5% on 1 April 2003.

FRS 17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 Aug 05 the charity had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings	
	2005	2004
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>3,275</u>	<u>3,275</u>

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21. RESTRICTED FUNDS

	Movement in resources:	
	Balance at 1 Sep 2004 £	Balance at 31 Aug 2005 £
	Incoming £	
Pat Bailes Memorial Fund	<u>6,402</u>	<u>418</u>
		<u>6,820</u>

22. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible fixed assets £	Investments £	Other net assets £	Total £
Unrestricted funds	2,980,415	59,404	(288,805)	2,751,014
Restricted funds	-	6,920	(100)	6,820
	<u>2,980,415</u>	<u>66,324</u>	<u>(288,905)</u>	<u>2,757,834</u>

	School Buildings Fund £	General Fund £	Revaluation Reserve £	Prize Contingency Fund £	Total £
Balance at 1/9/05	337,500	171,425	1,983,666	5,000	7,374
Surplus for year	-	245,949	-	-	-
Transfers between reserves	-	19,981	(20,000)	(100)	219
Balance at 31/8/05	<u>337,500</u>	<u>437,355</u>	<u>1,963,666</u>	<u>4,900</u>	<u>7,593</u>
					<u>2,751,014</u>

23. RELATED PARTY TRANSACTIONS

Two Trustees have children who attend the School. None of the Trustees received any concession in school fees during the year except for the normal sibling discount.

Legal fees of £1,968 (2004: £3,955) were charged by Burnetts Solicitors, of which Mr J E Morris, a Trustee is a partner. This was conducted on an arms length basis. The amount outstanding at the year-end was £988 (2004: £2,463), which has been included in accruals.

24. COMPANY LIMITED BY GUARANTEE

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