

REGISTRARS COPY

Registered number 2071112

ST PHILOMENA'S SCHOOL LIMITED

FINANCIAL STATEMENTS
TO 31 AUGUST 1998

SCRUTTON BLAND
CHARTERED ACCOUNTANTS
62 CONNAUGHT AVENUE
FRINTON-ON-SEA
ESSEX CO13 9PT



ST PHILOMENA'S SCHOOL LIMITED

Council of management F I Davies
 Mrs J Geldard
 P Burgoyne
 Mrs E McNulty
 T Walters
 Mrs S Vincent
 Mrs S Wright
 P Thompson
 D Eagle
 B Mickleburgh
 C A Powell
 J Turner

Registered office St Philomena's School
 Hadleigh Road
 Frinton on Sea
 Essex CO13 9HQ

Registered number 2071112

Charity Commissioners number 298635

Bankers Midland Bank
 63 Connaught Avenue
 Frinton on Sea
 Essex CO13 9PP

Auditors Scrutton Bland
 62 Connaught Avenue
 Frinton on Sea
 Essex CO13 9PT

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ST PHILOMENA'S SCHOOL LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management presents its report with the financial statements of the company for the year to 31 August 1998.

Principal activity

The company, in furtherance of its principal charitable objective, operates the Convent School, known as St Philomena's which activity was previously carried on by the Sisters of Our Lady of Mercy at Hadleigh Road, Frinton-on-Sea.

The company is registered with the Charity Commissioners under No.298635.

Review of operations

The Council of Management considers that the operations have been successfully managed during the year. A summary of the year's financial operations is given on page 4 of the financial statements. The increased pupil roll provides additional income to meet the finance costs on the loan for Clover House, and the repayment of the loan. The assets of the company are sufficient to fulfil its obligations.

The average roll during the year was 155 pupils aged 4-11. An average of 18 pupils benefitted from the nursery education schemes during the year.

Charitable donations of £538 were made during the year.

The Council of Management offers sincere thanks to the Sisters of Our Lady of Mercy for their much valued support during the year.

Council of Management

The Council of Management during the year under review has comprised

F I Davies	- appointed 3 March 1998	P Thompson
C McEwen	- resigned 25 March 1998	D Eagle
Mrs A O'Sullivan	- resigned 3 March 1998	B Mickleburgh
P Burgoyne		C Powell
C Debrick	- resigned 1 July 1998	J Turner
T Walters		Mrs E Mc Nulty - appointed 3 March 1998
Mrs S Vincent		Mrs J Geldard - appointed 3 March 1998
Mrs S Wright		

who are Members of the Association and

Father D Donnelly

Sister Peter

who are not Members of the Association

The Council of Management and other people concerned with the well being of the School give their time at no cost to the School and to events connected therewith.

Insurance cover has been arranged to cover the legal liability of the members of the Council of Management.

REPORT OF THE COUNCIL OF MANAGEMENT (cont)

Company law requires the Council of Management 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 Council of Management is required to:

- * 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 financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. It is 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.

Year 2000 Compliance

The Council of Management has instituted a programme of checking systems with embedded clocks to ascertain whether problems will arise when the leading digits of the year change. As the school will be shut on 1 January 2000 no insurmountable problems are expected.

Auditors

Scrutton Bland have signified their willingness to continue in office as auditors and a resolution re-appointing them will be submitted to the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

Accounting exemptions

Advantage is taken in the preparation of the Council of Management report of the special provisions contained in Part VII of the Companies Act 1985, relating to small companies.

Signed by order of the Council

A handwritten signature in black ink, appearing to be 'F I Davies', written over a horizontal line.

F I Davies
Chairman

Approved by the Council of Management on 10 March 1999.

AUDITORS' REPORT TO THE MEMBERS OF
ST PHILOMENA'S SCHOOL LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Council of Management and auditors

As described on page 2 the company's Council of Management is 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 Council of Management 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 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 Charitable company's affairs as at 31 August 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies and with the provisions of the Charities Act 1993.



SCRUTTON BLAND

**Chartered Accountants
and Registered Auditors**

62 Connaught Avenue
Frinton on Sea
Essex CO13 9PT

24 June 1999

ST PHILOMENA'S SCHOOL LIMITED**STATEMENT OF FINANCIAL ACTIVITIES**
YEAR ENDED 31 AUGUST 1998

			Unrestricted funds	
	Note	£	1998	1997
			£	£
Income and expenditure				
Incoming resources				
Termly fees			265,904	224,980
Pupil extras			26,087	25,499
			<hr/>	<hr/>
			291,991	250,479
Gifts and donations			100	1,489
Fund raising			2,286	4,497
Sundry income			1,356	1,169
Interest received			3,048	1,881
			<hr/>	<hr/>
Total incoming resources			298,781	259,515
				<hr/>
Resources expended				
Direct charitable expenditure	12	241,614		227,787
Administration		26,034		19,614
Finance		14,446		14,775
Depreciation etc		1,972		1,308
			<hr/>	<hr/>
Total resources expended			284,066	263,484
			<hr/>	<hr/>
Net incoming/(outgoing) resources			14,715	(3,969)
Balance brought forward			42,058	46,027
			<hr/>	<hr/>
Balance carried forward			£ 56,773	£ 42,058
			<hr/>	<hr/>

ST PHILOMENA'S SCHOOL LIMITED

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INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 1998

	Note	£	£	1997 £
Income				
Fees receivable	1 (b)		291,991	250,479
Gifts and donations	1 (e)		2,386	5,986
Sundry income			<u>1,356</u>	<u>1,169</u>
			295,733	<u>257,634</u>
Expenditure				
School operating costs	2	269,790		248,624
Company operating costs	2	<u>553</u>		<u>165</u>
			<u>270,343</u>	<u>248,789</u>
			25,390	8,845
Interest received			<u>3,048</u>	<u>1,881</u>
			28,438	10,726
Interest paid			<u>13,723</u>	<u>14,695</u>
Surplus/(deficit) of income to expenditure			14,715	(3,969)
- brought forward			<u>42,058</u>	<u>46,027</u>
- carried forward		£	<u>56,773</u>	£ <u>42,058</u>

Continuing operations

None of the company's activities was acquired or discontinued during the above two financial years.

Statement of total gains and losses

There were no gains or losses during the year other than as accounted above.

ST PHILOMENA'S SCHOOL LIMITED

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BALANCE SHEET
AS AT 31 AUGUST 1998

	Note	£	£	1997 £
Fixed assets	3/1(c)		175,049	<u>180,938</u>
Current assets				
Stock - books	1 (d)	2,000		2,000
Stock - consumable	1 (d)	-		400
Debtors and prepayments	4	3,804		2,665
Bank current account		30,799		5,476
Deposit on lease	5	10,000		10,000
Fund raising bank account		6,510		5,646
Cash in hand		1,375		1,147
		<u>54,488</u>		<u>27,334</u>
Current liabilities				
Creditors : due within one year	6 (a)	53,946		<u>44,433</u>
Net current assets/(liabilities)			542	<u>(17,099)</u>
Total assets less current liabilities			175,591	163,839
Creditors due after more than one year				
Long term bank loan	6 (b)		92,818	101,781
			<u>82,773</u>	<u>62,058</u>
Provisions for liabilities and charges				
Cyclical maintenance reserve	7		26,000	20,000
			<u>£ 56,773</u>	<u>£ 42,058</u>
Financed by:				
Income and expenditure account - unrestricted funds			£ 56,773	£ 42,058

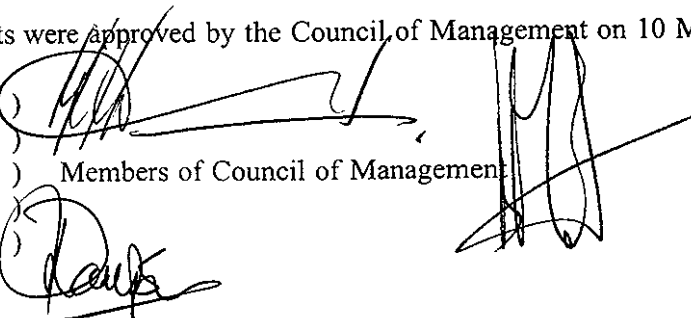
Advantage is taken in the preparation of the financial statements of the special provisions contained in Part VII of the Companies Act 1985, relating to small companies. In the Council of Management's opinion the company is entitled to those exemptions as a small company.

The financial statements were approved by the Council of Management on 10 March 1999.

F I Davies

B Mickleburgh

P Thompson


) Members of Council of Management

ST PHILOMENA'S SCHOOL LIMITED

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recognised Practice for charities issued in October 1995.

b) Fees receivable

Fees receivable represent income arising from the operation of the school, including charges for extras, based on the termly pupil roll.

c) Tangible fixed assets

Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

Freehold property and improvements	2% straight line
Equipment, fixtures and fittings	15% reducing rate
School computer	20% straight line

The cost of the extension to the school library is to be written off in equal instalments over the remaining period of the lease on the school premises. This was originally granted on 9 January 1988 for a period of 15 years.

d) Stock

Consumable stock is valued at the lower of cost or economic use to the school.

Stock of books is an allocation of the payment to the Sisters of Our Lady of Mercy for the school assets and remains a constant item with all subsequent purchases being charged to revenue.

e) Gifts and donations

These are accounted as received and include gifts and subsidies in kind accounted at value to the school. These include net fund raising receipts.

f) Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow Statements."

g) Operating leases

The charges for the use of office equipment are accounted when rentals fall due.

ST PHILOMENA'S SCHOOL LIMITED**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998 - (continued)****2 Operating costs**

	1998 £	1997 £
The surplus (1997:(deficit)) of income over expenditure is stated after charging:		
Rent of premises	10,000	10000
Maintenance reserve transfer	6,000	2,000
Depreciation	1,972	1,308
Amortisation	4,551	3,621
Staff costs - salaries	176,667	167,953
- Social Security costs	15,340	14,373
- Pension	-	-
Council of management remuneration	900	-
Auditors' remuneration	3,173	2,937
Office equipment rental	<u>2,345</u>	<u>1,902</u>
and		
Company operating costs include:		
Council of Management remuneration	-	-

The average number of employees during the year was 11 full time and 9 part time.
No employee earned over £40,000 during the year.

3 Fixed assets

	Freehold property		Short	Equipment	School computer	Total
	Clover House	Capital improvements to Clover House	leasehold Extension to school library	fixtures and fittings		
Cost	£	£	£	£	£	£
At 1 September 1997	122,074	55,011	10,124	9,084	4,434	200,727
Additions					634	634
At 31 August 1998	<u>122,074</u>	<u>55,011</u>	<u>10,124</u>	<u>9,084</u>	<u>5,068</u>	<u>201,361</u>
Depreciation/amortisation						
At 1 September 1997	4,082	2,201	5,669	5,439	2,398	19,789
Charged in year	<u>3,265</u>	<u>1,110</u>	<u>810</u>	<u>547</u>	<u>791</u>	<u>6,523</u>
At 31 August 1998	<u>7,347</u>	<u>3,311</u>	<u>6,479</u>	<u>5,986</u>	<u>3,189</u>	<u>26,312</u>
Written down value						
At 31 August 1998	£ 114,727	£ 51,700	£ 3,645	£ 3,098	£ 1,879	£ 175,049
At 31 August 1997	£ 117,992	£ 52,810	£ 4,455	£ 3,645	£ 2,036	£ 180,938

The fixed assets are all used for the charitable purposes of the company

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998 - (continued)

		1998		1997
		£		£
4	Debtors and prepayments			
	Outstanding fees	3,396		2,080
	Prepayments	408		580
	Accrued income	-		5
		<hr/>		<hr/>
		£ 3,804	£	2,665
		<hr/>		<hr/>
5	Deposit re lease			
	The terms of the lease from the Sisters of Our Lady of Mercy require a deposit of one year's initial rent. The interest earned on this deposit is retained by St Philomena's School. Whilst the School occupies the premises the bank account is effectively an asset due after one year.			
6	Creditors			
a)	Due within one year	1998		1997
		£		£
	Trade creditors	6,911		10,964
	Accruals	3,172		2,937
	Other creditors	4,818		1,645
	Social security and other taxes	-		4,050
	Fees etc in advance	16,303		2,095
	Bank loan	22,742		22,742
		<hr/>		<hr/>
		£ 53,946	£	44,433
		<hr/>		<hr/>
b)	Due after more than one year but less than five			
	Bank loan	£ 90,968	£	90,968
		<hr/>		<hr/>
	Due after more than five years			
	Bank loan	£ 1,850	£	10,813
		<hr/>		<hr/>

ST PHILOMENA'S SCHOOL LIMITED**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED 31 AUGUST 1998 - (continued)****6 b) continued**

The bank loan is repayable by instalments. Interest is charged monthly and is paid from the instalments.

It is expected that the loan will finally be cleared in about eight years time - the allocation of the time scale of the debt on the balance sheet relates solely to the existing cash flow commitment.

The bank loan is secured upon Clover House, by a fixed and floating charge on the company's assets and upon a letter of comfort provided by the Institute of Our Lady of Mercy.

The bank loan represents approximately 67% of the asset values secured thereon.

7 Cyclical maintenance reserve

The intention of the reserve is to set aside funds for cyclical maintenance by transfer from revenue.

The transfer in the year charged as part of operating costs was £ 6,000 (1997 £2,000)

8 Share capital

The company does not have a share capital and is limited by guarantee of the members with individual liabilities of £1.

9 Taxation

No provision has been made for taxation as the company has charitable status.

10 Council of management

No member of the council of management received remuneration or expense reimbursements for their duties on the council of management.

One member of the council of management, Mr Thompson, received remuneration of £900 for maintaining the wages and salaries payroll of the school throughout the academic year.

11 Related party transactions

During the year no money was spent with companies with which members of the council of management are connected.

Children of members of the council of management attend the School on normal terms.

12 Commitments

There are commitments to pay the following annually.

	1998	1997
	£	£
Rent of premises	10,000	10,000
Office equipment rentals	2,345	2,345
	=====	=====

ST PHILOMENA'S SCHOOL LIMITED**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998 - (continued)****12 Direct charitable expenditure**

		1998	1997
	£	£	£
Teaching salaries and wages		181,504	<u>176,557</u>
Premises costs			
Rent, rates and insurance	20,726		16,317
Heat and light	4,513		3,903
Amortisation	<u>4,551</u>		<u>3,621</u>
		29,790	<u>23,841</u>
Pupils consumables and costs			
Stationery	1,357		2,946
Textbooks	4,253		5,662
Outings	<u>9,126</u>		<u>7,377</u>
		14,736	<u>15,985</u>
Repairs and renewals			
Premises	12,291		9,974
Equipment	<u>3,293</u>		<u>1,430</u>
		<u>15,584</u>	<u>11,404</u>
		£ 241,614	£ 227,787