

The Pollok School Company
recognised by the Inland Revenue as a Charity
(Limited by Guarantee and not having a share capital)

Directors' report and financial statements
30 June 1999

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Contents

Notice of meeting	2
Directors' report	3
Statement of directors' responsibilities	5
Auditors' report	6
Income and expenditure account	7
Balance sheet	8
Notes	9

Notice of meeting

Notice is hereby given that the Annual General Meeting of the Members of The Pollok School Company will be held on Thursday 9 December 1999 at 4:30pm at 72 St Andrews Drive, Glasgow, to transact the following business:

- 1 To receive and consider the accounts for the year ended 30 June 1999 and the reports of the directors and auditors thereon.
- 2 To re-elect directors.
- 3 To re-appoint the auditors.
- 4 To transact any other ordinary business of the company.

A member of the company entitled to attend and vote is entitled to appoint a proxy who need not be a member of the company to attend and vote instead of him.

By order of the board



I Dalglish
Secretary

72 St Andrews Drive
Glasgow
G41 4HS

21 October 1999

Directors' report

Craigholme School

Craigholme School was founded in 1894. The school is a registered charity and is a company limited by guarantee which does not have any share capital. The school provides independent education for girls between three and a half and eighteen years of age. The charitable objectives of the school are set out in the Memorandum and Articles of Association of the school which were registered in 1942 when it was incorporated as The Pollok School Company.

Craigholme School's aim is to offer a balanced education of the highest quality, to realise each pupil's full potential.

It is the policy of the school to:

- provide a full range of education courses and to maximise the academic achievement of all pupils;
- develop confident, independent and articulate pupils with a sense of social and moral responsibility and respect for others;
- complement the academic goals with the provision of wide-ranging sporting, cultural and social activities;
- foster good relationships between teachers, pupils, parents and the wider community in achieving these goals.

490 pupils attended the school during the year.

Policy

The Board determines the policy of the school, and the day to day management is delegated to the Headmistress and the Business Manager. The Board and its sub-committees meet formally eight times in each academic year to review the school's progress.

Year 2000

Year 2000 compliance issues have been considered including issues connected with suppliers and customers and steps have been taken to ensure timely compliance. The estimated costs of compliance are not considered material to the company and will be treated as normal revenue expenditure.

Directors

The directors of the company, who are also the charity trustees and governors of the school, who served during the year were:

JS Laird	(chairman)
JB Park	
KSG Fish	
MG Fairman	
Clare R Giles	
JS Perry	
Professor JR McDonald	

The directors retiring by rotation are Mrs CR Giles and Mr JB Park who, being eligible, offer themselves for re-election.

Directors' report *(continued)*

Key personnel and advisers

Headmistress:	Gillian R Burt MA (Hons)
Secretary and Business Manager:	I Dalglish CA
Bankers:	The Royal Bank of Scotland plc 128 Bath Street Glasgow
Solicitors:	McGrigor Donald 70 Wellington Street Glasgow
Auditors:	KPMG 24 Blythswood Square Glasgow

Review

The opening of the Resource Centre in October 1998 represented another major step in the ongoing development of the school's facilities to ensure that the best possible teaching environment is available to our pupils. This will allow the school to build on the many successes which have been achieved in academic, sporting and other fields, by both current and former pupils during the last year. Pupil numbers continue to increase, despite the demise of the Assisted Places Scheme. The school looks forward with confidence to the many challenges it will face in the new millenium.

Financial results

The financial results for the year are set out on page 7. There was a deficit of £51,892, before transfers to and from reserves.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of KPMG as auditors of the company will be put to the Annual General Meeting.

By order of the Board



I Dalglish
Secretary

72 St Andrew's Drive
Glasgow
G41 4HS

21 October 1999

Statement of directors' responsibilities

Company law requires the directors 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 year. In preparing those financial statements the directors are 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 assume that the company will continue in business.

The directors 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 or other irregularities.



24 Blythswood Square
Glasgow
G2 4QS
United Kingdom

Auditors' report to the members of The Pollok School Company

We have audited the financial statements on pages 7 to 15.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors 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 directors 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

No provision for depreciation of heritable property has been made for the reason stated in Note 1. This is contrary to the intention of Statement of Standard Accounting Practice No 12. It is not practical for us to quantify the effect on the financial statements.

Subject to the above reservation, in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1999 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

9 November 1999

Income and expenditure account
for the year ended 30 June 1999

	<i>Note</i>	1999 £	1998 £
Income			
Operating expenses	3	1,858,739 (1,913,036)	1,774,074 (1,702,530)
Operating (deficit)/surplus	4	(54,297)	71,544
Investment income	6	3,072	3,097
		(51,225)	74,641
Interest payable	7	(667)	(1,201)
(Deficit)/surplus for the financial year	2	(51,892)	73,440
Transfer to Bursary Fund		(10,000)	(30,000)
Transfer from/(to) Building Fund		40,000	(40,000)
Transfer to Endowment - prize fund		(165)	(159)
Transfer from hockey pitch appeal fund		8,760	-
Transfer from sports fund		267	-
Amount taken to General Reserve		(13,030)	3,281

There were no recognised gains or losses for the year other than those shown above.

Movements in reserves are given in note 13.

Balance sheet
at 30 June 1999

	<i>Note</i>	1999 £	1998 £
Fixed assets			
Tangible fixed assets	8	811,762	808,117
Investments	9	324	324
		<hr/>	<hr/>
		812,086	808,441
		<hr/>	<hr/>
Current assets			
Debtors and prepayments	10	84,236	88,167
Cash at bank		225,291	261,825
		<hr/>	<hr/>
		309,527	349,992
Creditors: amounts falling due within one year	11	(324,186)	(310,439)
		<hr/>	<hr/>
Net current (liabilities)/assets		(14,659)	39,553
		<hr/>	<hr/>
Total assets less current liabilities		797,427	847,994
Creditors: amounts falling due after one year	12	(18,750)	(22,425)
		<hr/>	<hr/>
		778,677	825,569
		<hr/>	<hr/>
Reserves	13	778,677	825,569
		<hr/>	<hr/>

Approved by the Board on 21 October 1999 and signed on its behalf by:



MG Fairman
Director

Notes

(forming part of the financial statements)

1 Accounting policies

a. *Basis of preparation*

The accounts are prepared under historical cost convention, modified by the revaluation of heritable property, and in accordance with applicable accounting standards and the Statement of Recommended Practice 2 'Accounting for Charities', except as noted at (b) below.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement, on the grounds of its size.

b. *Tangible fixed assets*

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

Leasehold property	-	over the period of the lease
Leasehold improvements	-	2% straight line
Equipment	-	20%-33% straight line

No depreciation is provided on heritable property. The directors consider that the requirements of SSAP 12 are not appropriate as major expenditure is met from a separate charge on each pupil, and from outside sources.

c. *Fees*

Fees consist of charges for the school year ending 30 June.

d. *Expenditure*

Expenditure is allocated to expense headings on a direct cost basis. Employee costs are accrued to August in each year's accounts. The irrecoverable element of VAT is included with the item of expense to which it relates. Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

e. *Pension schemes*

Pension contributions are made on behalf of all teaching staff and some of the non-teaching staff, to externally administered funds. Contributions to these funds are charged in the income and expenditure account so as to spread the cost of pensions over the employees' service lives.

Notes (continued)

2 Statement of financial activities

	Unrestricted funds	
	1999	1998
	£	£
<i>Incoming resources</i>		
Fees receivable	1,762,509	1,678,144
Capital levy	85,960	58,750
Other income	10,270	37,180
	<hr/>	<hr/>
Bank interest	1,858,739	1,774,074
	3,072	3,097
	<hr/>	<hr/>
Total incoming resources	1,861,811	1,777,171
	<hr/>	<hr/>
<i>Resources used</i>		
Direct charitable expenditure:		
Teaching costs	1,362,419	1,252,848
Welfare	24,196	24,890
Premises	329,852	244,816
Support costs	193,319	176,726
	<hr/>	<hr/>
	1,909,786	1,699,280
	<hr/>	<hr/>
Other expenditure:		
Management and administration of the charity	3,250	3,250
	<hr/>	<hr/>
	1,913,036	1,702,530
	667	1,201
	<hr/>	<hr/>
Interest		
	<hr/>	<hr/>
Total resources expended	1,913,703	1,703,731
	<hr/>	<hr/>
Net incoming resources	(51,892)	73,440
	<hr/>	<hr/>
Net movement in funds	(51,892)	73,440
	<hr/>	<hr/>

3 Income

Fees receivable include grants receivable under the Assisted Places Scheme amounting to £126,801 (1998: £162,991).

Included in income is £85,960 relating to a capital levy which represents a separate fee to meet the costs of major refurbishments to the school buildings.

Notes *(continued)*

4 Operating (deficit)/surplus

	1999	1998
	£	£
The (deficit)/surplus is stated after charging:		
Staff costs	1,450,426	1,348,187
Depreciation	38,195	27,512
Auditors' remuneration	3,250	3,250
	<hr/>	<hr/>

5 Employees

	Number of employees	
	1999	1998
The average number of employees in the year was:		
Teaching:		
Full-time	43	42
Part-time	15	15
Domestic	22	20
Administration	4	4
	<hr/>	<hr/>
	84	81
	<hr/>	<hr/>

Staff costs comprise:

	£	£
Wages and salaries	1,286,534	1,195,485
Social security costs	94,924	88,383
Pension contributions	68,968	64,319
	<hr/>	<hr/>
	1,450,426	1,348,187
	<hr/>	<hr/>

The directors received no remuneration during either year.

Notes (continued)

6 Investment income

	1999 £	1998 £
Income from listed investments	21	19
Interest on short term deposits	3,051	3,078
	<hr/>	<hr/>
	3,072	3,097
	<hr/>	<hr/>

7 Interest payable

	1999 £	1998 £
Bank overdraft interest	655	1,187
Debenture interest	12	14
	<hr/>	<hr/>
	667	1,201
	<hr/>	<hr/>

8 Tangible fixed assets

	Heritable property £	Leasehold property £	Equipment £	Total £
<i>Cost or valuation</i>				
At 1 July 1998	700,000	96,868	118,204	915,072
Additions	-	-	41,840	41,840
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	700,000	96,868	160,044	956,912
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 July 1998	-	44,060	62,895	106,955
Charge for the year	-	1,730	36,465	38,195
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	-	45,790	99,360	145,150
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book amount</i>				
At 30 June 1999	700,000	51,078	60,684	811,762
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1998	700,000	52,808	55,309	808,117
	<hr/>	<hr/>	<hr/>	<hr/>

The heritable property was revalued by the directors at 30 June 1997 within a range of values provided by a professional firm of chartered surveyors on the basis of estimated net realisable value for return to residential use.

Notes (continued)

9 Investments

	1999 £	1998 £
Listed on the Stock Exchange	324	324

The market value of listed investments at 30 June 1999 was £414 (1998: £377).

10 Debtors and prepayments

	1999 £	1998 £
Fees	29,390	24,844
Prepayments and accrued income	31,280	46,492
Other debtors	23,566	16,831
	<u>84,236</u>	<u>88,167</u>

11 Creditors: amounts due within one year

	1999 £	1998 £
Trade creditors	33,420	34,104
Taxation and social security	33,696	32,512
Accruals and deferred income	228,187	220,740
Other creditors	28,883	23,083
	<u>324,186</u>	<u>310,439</u>

Accruals and deferred income includes a grant of £20,000 received from the Robertson Trust Fund towards the cost of computer equipment. This will be credited against the relevant depreciation charge in four equal annual instalments, the first of which was made in the year ended 30 June 1999.

12 Creditors: amounts falling due after more than one year

	1999 £	1998 £
4% debentures	-	550
Loan from Craigholme School Trust	18,750	21,875
	<u>18,750</u>	<u>22,425</u>

The 4% debentures were repaid at par on 30 June 1999.

The loan is repayable in eight equal annual instalments commencing 1 July 1998. The instalment payable on 1 July 1999 is included in creditors due within one year (note 11).

Notes (continued)

13 Reserves

	1999 £	1998 £
a. General reserve		
At beginning of year	743,776	740,495
Transfer from income and expenditure account for year	(13,030)	3,281
	<hr/>	<hr/>
At end of year	730,746	743,776
	<hr/>	<hr/>
b. Specific funds		
Hockey pitch appeal fund	-	8,760
Sports fund	-	267
Bursary Fund	40,000	30,000
Building Fund	-	40,000
Endowment - prize fund	2,931	2,766
Ruth Campbell Memorial Fund	5,000	-
	<hr/>	<hr/>
	47,931	81,793
	<hr/>	<hr/>
Total reserves	778,677	825,569
	<hr/>	<hr/>

Bursary fund

A bursary fund, to which further transfers will be made in subsequent years, has been established to provide the income for bursaries which may be awarded from session 1999/2000.

Building fund

The whole of the fund was set against the cost of the resource centre.

Ruth Campbell Memorial Fund

The income from this fund will be utilised to support former pupils undertaking approved projects.

14 Capital commitments

Capital commitments contracted for but not provided in these financial statements are £Nil (1998: £40,000).

Notes *(continued)*

15 Pensions

All full-time and some part-time teaching staff are members of the Scottish Teachers Superannuation Scheme. The Scheme provides defined benefits and is the responsibility of the Scottish Office Pensions Agency. Contributions during the year based on 6.9% of pensionable salaries totalled £65,616 (1998: £62,540). There is no superannuation fund and benefits are statutorily payable.

Non-teaching staff are eligible to join the Strathclyde Pension Fund and three employees have elected to do so. Based on the actuarial advice on the Scheme the employer's contribution was 135% of employees' contributions during the year ended 31 March 1999. Contributions during the year amounted to £3,352 (1998: £1,779).