

**ST CHRISTOPHER SCHOOL
(LETCWORTH) LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008**

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ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
YEAR ENDED 31 AUGUST 2008

REFERENCE & ADMINISTRATIVE INFORMATION

St Christopher School (Letchworth) Limited is a charitable company formed in 1954, charity registration number 311062, company registration number 535836. The registered office and principal address of the Company is at Barrington Road, Letchworth Garden City, Hertfordshire SG6 3JZ.

DIRECTORS

The Directors of the Company, who are also the charity trustees, and the Governors of the School and who served during the year were:

A G Pollard	Chairman
V McClure	Vice-Chairman
W Armitage	
C D Brown	
I C Cotterill	
K Martins	(resigned 31 December 2007)
H M Szirtes	
K L Jones	
M Pocha	
C Smith	(resigned 3 September 2008)
V Raymond	(appointed 1 January 2008)

The Board is a self-appointing body. Board members are appointed for terms of four or five years and can be re-elected although the practice in the case of the parent governor is not to do so.

KEY EXECUTIVES AND PROFESSIONAL ADVISERS

Head	R Palmer
Bursar and Company Secretary	W S B Hawkes
Auditors	Horwath Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Principal Bankers	Barclays Bank plc Station Place Letchworth Garden City Hertfordshire
Principal Solicitors	Brignalls, Balderston and Warren Broadway Chambers Letchworth Garden City Hertfordshire

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2008

The Board of Directors present their annual report for the year ended 31 August 2008 under the Companies Act 1985, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 1985, the Company's Memorandum & Articles of Association and the Charities SORP 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The Company is governed by its Memorandum and Articles of Association, last amended on 9 December 1995.

GOVERNING BODY

The Directors, who are also required under the Articles to serve as members of the Company, are elected at a full Directors Meeting on the basis of the Board's specifications concerning eligibility, personal competence, specialist skills and local availability. The Governors include former pupils, a former staff member, former parents and a parent nominated by the Parents Circle as well as both retired and serving Heads of other independent schools and a local resident.

TRUSTEE TRAINING

New Directors are inducted into the workings of the School, and also of the Company as a registered charity, including Board Policy and Procedures, by the Chairman and Bursar. Guidance information and courses are made available to all governors at the Company's expense, through the Independent Schools Council and the Association of Governing Bodies of Independent Schools.

ORGANISATIONAL MANAGEMENT

The Directors meet as a Board at least four times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. This includes the review of the budgets and annual accounts and reports. The day-to-day running of the School is delegated to the Head and the Bursar, supported by other teaching members of the Senior Management Team.

GROUP STRUCTURE AND RELATIONSHIPS

The Company has a wholly owned non-charitable subsidiary, St Christopher School Guilds Limited, with the School receiving any surpluses earned by the company as a covenanted donation. During the year ended 31 August 2008, the St Christopher School Guilds Limited provided facilities for external organisations to undertake educational, cultural and sporting activities.

St Christopher School is an active member of SHMIS (the Society of Headmasters and Headmistresses of Independent Schools) and the Boarding Schools Association for the promotion and maintenance of school standards generally.

The School operates extramural courses for members of the local community which are open to all. In addition, its swimming pool is regularly open to other organisations, as are the School's games fields, theatre and music facilities. There are also strong links with regional arts associations. A thriving community service programme makes up an integral part of pupils' activities.

The School is committed to an international approach. There are pupils from a wide range of social, cultural and national backgrounds. There is an extensive exchange programme with schools in France, Germany and Spain and links also with schools in Hungary, Slovenia, Kosovo and India.

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There is a long-established School Council, which is chaired by an elected senior pupil. Motions passed by the Council have to be ratified by a meeting of the whole Senior School. While policies and rules can be created through the School Council, the Head has an overall veto, although in practice it is rarely necessary to exercise this. The School is committed to ensuring that self-government continues to be an important part of pupils experience at the School.

The School also benefits from the generosity of a thriving network of Old Scholars whose close support we greatly appreciate and gladly acknowledge.

RISK MANAGEMENT

The Board and the Staff Senior Management Team continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be managed. A formal review of the School's risk management processes is undertaken on an annual basis. The School's risk management systems are based on the Charity Commission's guidance, "Charities and Risk Management" (July 2007).

The key controls used by the School include:

- Formal agendas for all Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable

Through the risk management processes established for the School the Governors are satisfied that the major risks have been adequately managed where necessary. It is recognized that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Object of the Company, in accordance with its Memorandum of Association, is the education of girls, boys or adults of either sex as an interdenominational school with religious and ethical teaching based on the broadest principles of national and inter-national fellowship and goodwill.

AIMS AND INTENDED IMPACT

The School's aim is to ensure that children leave having achieved their full potential, well equipped with the skills and self-confidence for their future life and work. The School aims to be a continuously developing community of children and adults working together in an open but informal atmosphere. We treat our young people as individuals and aim for them to develop competence and resourcefulness, social conscience and moral courage, the capacity for friendship and a true zest for life. St Christopher is committed to providing a first class education in a caring environment. We aim to ensure that all achieve the success they deserve without relying on contrived competition.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2008

OBJECTIVES FOR THE YEAR

The governors and senior management team at the School set as the following objectives for the year:

1. Increasing the number of pupils, especially boarders, who were able to take advantage of the education that St Christopher provided.
2. Maintaining and extending where possible the School's bursary programme
3. The development and launch of a new capital development plan to improve the facilities and services available to pupils, children and adults who benefit from the School's activities.

During the year, the following achievements were made against these objectives:

1. Average pupil numbers for the year increased from 511 in the year ended 31 August 2007 to 529 in the year ended 31 August 2008. Boarding numbers in the same period increased from 46 to 50 pupils.
2. The School awarded bursaries to 42 pupils during the year ended 31 August 2008, 11 more pupils than in the previous academic year. These bursaries amounted to £293k for the year (2006/07: £190k) - an increase of 54%.
3. The School launched a new plan for the development of its facilities as it approaches its centenary in 2015. The first phase of this development plan, the re-location and expansion of the School's Montessori nursery, was undertaken during the year. "Monte" pupils moved into the new nursery at Arunwood on 3 September 2008, which was officially opened on 18 October. Further phases of the development across the whole School are planned to take place over the next six years.

PRINCIPAL ACTIVITY

The Company's principal activity continues to be the provision of education to boys and girls from the ages of 3 to 18 at its Montessori Nursery, Junior School and Senior School.

The Montessori Nursery currently has 26 children and has its own Nursery Manager who reports to the Head of the Junior School.

The Junior School's children are aged from 4 to 11 and nearly all of them will proceed to the Senior School. Currently there are 145 pupils in the Junior School. The Head of the Junior School is responsible for the leadership and management of the Junior School on a day-to-day basis, under the overall direction of the Head of the School.

The Senior School has children from the age of 11 to 18. There is a three or four form entry in each year up to GCSE and 21 subjects are available at AS/A Level in the Sixth Form. There are currently 359 children in the Senior School of whom 80 are in the Sixth Form.

GRANT-MAKING

The School offers bursaries to those parents whose income is such that they would not otherwise be able to pay the full fees. The awards are based on an assessment by the Head of how much a child will be able to benefit from the School and the degree of assistance required. The Bursary Committee meets once a term to consider bursary applications and review the progress of each bursary holder.

The bursaries continue for every year in which a child remains at the School, subject to an annual review of the financial circumstances and to the satisfaction of the Head and the Bursary Committee that the child is continuing to benefit from their time at the School and contribute fully to the life of the community. In the year ended 31 August 2008 42 pupils were awarded bursaries (2006/07: 31).

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The Robertson Bursary Trust funds a small number of pupils annually to attend the Sixth Form, to enable them to complete their A levels at St Christopher. The fund was set up by the Robertson family, who have played an important part in the St Christopher community as pupils, active Old Scholars and on the Board of Governors for many years. All awards are based on parental income and are conditional for their continuance on appropriate levels of performance and good behaviour. The School is also able to make some awards in conjunction with Robertson Bursary Trust awards up to and including 100% of the boarding fee.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

OPERATIONAL PERFORMANCE OF THE SCHOOL

With Richard Palmer having been in post since January 2007 the School has enjoyed a stable phase in its development. Boarding numbers have remained at projected levels and VI form boarding in particular is very strong with a waiting list for places.

There has been an increase in emphasis on the quality of teaching and learning. This will be further enhanced with the arrival of a new Deputy Head specifically charged with concentrating on this area. This year our academic results in external examinations have improved and we have been able to celebrate these and other achievements through a results section of our website.

A Level results:

- Total percentage of A and B grades: 66.7%
(54.6% in 2007)
- Total percentage grades A-C: 87.5%
(79% in 2007)
- Total percentage grades A-E: 98.3%
(98.6% in 2007)
- Nine students achieved 3 grades A or more
- University destinations include:
 - Medicine at Edinburgh
 - Mechanical Engineering at Loughborough
 - Mechanical Engineering at Imperial College, London
 - Geography at Sussex
 - Anthropology at Sussex
 - Natural Sciences at Bath
 - History at Reading

GCSE Results:

GCSE results in 2008 have sustained the strong trend of recent years.

- 97% of all candidates ended up with 5 grades A*-C or more
- 19 students in the year group achieved seven or more grade A* or A.
- Almost one in three students achieved at least 5 grades A* or A
- Almost three quarters of all grades were A*, A or B.

The School is committed to helping a number of children with special needs, providing that a balance is maintained within the School and at each Year Group. Our excellent team of Tutors and other support staff continue to complement a highly effective and dedicated teaching staff.

The Governors undertake a public benefit audit annually to monitor the benefits that the School is providing as a charity. In addition to the School's direct educational activities and the access that it provides through bursaries, the School allows other organisations, including maintained schools and charities, to use its facilities at a reduced rate or at no charge. The School actively investigates ways of increasing its engagement with local, national and international organisations to ensure that a wide section of the public benefits from the School's activities.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2008

The School's community work, both here and abroad continues to be a real strength of the School, further recognising the schools commitment to service. All Lower VI students are required to complete a significant period of Community work and the School has started a Community Action Morning. All children in the Senior School are required to support a local charity or group. This support may be through fundraising or it may be through offering physical assistance. They all have the same opportunity to support an overseas project. We have been working closely with the Letchworth Garden City Heritage Foundation and local charitable groups on this. Our Community Action Morning enables our students to support voluntary organisations and vulnerable individuals within the community as well as providing a range of opportunities for local children using our own facilities.

We continue actively to support three major overseas projects, The White Lotus School in Ladakh (which staff and pupils will visit as part of a three week trek at Easter), various NGOs in Rajasthan which VI form and staff visit in December and February for three week periods and our Summer School programme in Kosovo where a range of our children and staff devise and run an annual summer School for children who have been orphaned in the atrocities there. All three of these projects require our pupils to learn skills and take them out to share in our local community. Once proficient they take their skills and experience to one of our projects. We are currently looking for ways to include other young people from Letchworth in these projects with the financial backing of charitable sponsors.

The School takes part in the Duke of Edinburgh's award scheme and participation is voluntary. The School held its annual awards ceremony in November 2006 and was able to celebrate the first of our students who have achieved their Gold Award.

The School has achieved re-accreditation as an 'Eco-School' which involved a major audit of our environmental activities and an Inspection visit from the awarding body. A member of staff has responsibility for coordinating our environmental and ecological initiatives and they work as part of 'Be Green' which is a committee of Council.

The School is greatly assisted by its parent body who offer support for the education of their children and the wider life of the School. Parent helpers in the Montessori Nursery and Junior School are appropriately vetted and helped. Parents support the charitable events within School and during this year organised a Quiz Night, a Summer Ball in aid of the NSPCC and they are planning a firework party.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

During the year the School made a small deficit on its activities for the year of £147k. This represents an operating surplus of £338k, before charging depreciation of £485k. The Governors had budgeted for a deficit for the year and better than forecast pupil numbers and tight cost control kept this deficit to a minimum.

Fees at the Junior School and the Senior School rose by 5.6 % on those charged in 2006/07.

The cash flows for the School remain good, it has no borrowings, and it continues to have a strong net asset position of £8.7 million (2006/07: £8.8 million).

The results for the year are set out on page 11 of the accounts.

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FOR THE YEAR ENDED 31 AUGUST 2008

RESERVES

The Governors consider that the assets held in these funds are available and adequate to fulfil the obligations of the School.

At the balance sheet date, the School held unrestricted funds totalling £8,700k (2006/07: £8,847k). The School's buildings represent £8,859k and other fixed assets total £446k.

The School has no free reserves due to the investment of funds in tangible fixed asset properties. However, the Governors have examined the School's cash flows and are satisfied that they are adequate for the purpose of meeting its working capital requirement.

For some years the Governors have had an established policy of keeping a cash reserve at a level equating to between one and three month's expenditure. At the year end the School held cash reserves equating to 1.4 months' expenditure.

MARKET VALUE OF LAND AND BUILDINGS

The leasehold properties were revalued by the Directors on 31 August 1979. This valuation was frozen under the transitional provisions of FRS 15 and additions since that date are included at cost.

Due to the specialised nature of the buildings, the market value of the company's properties is difficult to ascertain. However the Directors consider that such value would be greater than the written down value at which they are included in the annexed balance sheet. Further information is given in note 4 to the accounts.

FUTURE PLANS

The Governors approved a site development plan and this has been discussed with Staff, at a School Meeting (a meeting of the Senior School pupils) and at Senior Management level. The plan has been prepared in phases, to allow it to be adjusted as required by the School's needs and available resources.

As a School we are committed to the professional and personal development of our staff. Our budgets for continuing professional developments have been increased and we will continue to look for ways of sharing good practice within and beyond the School. As part of this programme an external appraisal of the Head took place in November 2008 with the intention of new objectives being agreed by the Head with Governors. These will link in with the School Development Plan and the objectives for the incoming Deputy Head.

The School continues to be committed to maintaining our bursary programme at current levels for next year.

We will continue to focus on Teaching and Learning with an increasing awareness of the need to celebrate academic achievement.

The planned review of the School Council will take place during this coming year with the arrival of the new deputy Head. It is hoped that we will be able to link discussions about Teaching and Learning with those of Self-Government.

St Christopher is a truly Independent School and we are committed to celebrating our differences and the successes that these bring to the young people that are the life blood of this School. We continue to strive for ways to enable as many different children from as many different backgrounds to take advantage of this unique education.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2008

APPRECIATION

Two Governors, Kathie Martins and Cath Smith, resigned from the Governing Body during the year. Both of them had made a real contribution to the work of the Governors and had taken a close interest in the School. Kathie Martins had been the Senior Teacher before her retirement and Cath Smith had been Chair of the Parents' Circle before joining the Governors. The Continuing Governors wish to record their appreciation for their commitment to the School and their contributions to the School's governance.

The Governors would like to thank the Head and his staff for their continuing commitment and hard work in ensuring that the School thrives develops and meets the needs of its pupils. They wish to recognise the enthusiasm that the pupils have for their School and are grateful for the continued support of parents, former pupils and other friends of the School.

DIRECTORS

The Directors during the year under review and the shares in the company in which they were interested at the beginning and end of the year were:

	Ordinary shares of £1 each	
	At 31 August 2008	At 1 September 2007
A G Pollard	4	4
F V McClure	4	4
W G Armitage	4	4
K Martins (resigned 31 December 2007)	-	4
C D Brown	4	4
I C Cotterill	4	4
H M Szirtes	4	4
K L Jones	4	4
M Pocha	4	4
C Smith (resigned 3 September 2008)	4	4
V Raymond (appointed 1 January 2008)	4	-

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Horwath Clark Whitehill LLP as auditors to the company will be put to the annual general meeting.

Approved by the Board of Directors at its meeting on
and signed on its behalf by:



Chairman

13/12/08

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 charitable company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 charity will continue to operate.

The Directors are responsible for keeping proper accounting records that 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. 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.

So far as each Director is aware, there is no relevant audit information of which the company's auditors are unaware. Each Director has each taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED

We have audited the financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2008 (the "financial statements") which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company'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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

The responsibilities of the directors who are also the charity trustees for the purposes of charity law, for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company 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 other transactions is not disclosed.

Basis of opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the Directors 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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.

Unqualified opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors

Date 27/1/09

St Bride's House
10 Salisbury Square
London EC4Y 8EH

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2008

INCOME AND EXPENDITURE (UNRESTRICTED FUNDS)

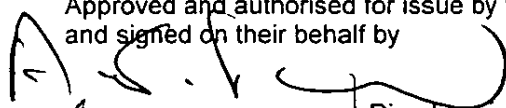
	Notes	2008 £	2007 £
Income from Charitable Activities			
Fees receivable	2	6,067,203	5,733,237
Coaching charges		6,355	8,960
Incoming Resources from Generated Funds			
Donations		8,591	5,707
Covenanted donations		9,139	4,434
Activities to generate funds:			
- Swimming pool income		130,076	119,391
Bank and other interest		86,755	60,160
Other income		11,389	5,707
Surplus on disposal of fixed assets		-	413,428
Total Incoming Resources		6,319,508	6,351,024
RESOURCES EXPENDED			
Cost of Generating Funds			
Swimming pool costs		154,203	140,455
Charitable Activities:			
School operating costs		6,297,803	5,848,024
Governance costs		14,834	18,116
Total Resources Expended	3	6,466,840	6,006,595
Net movement in funds		(147,332)	344,429
Balances brought forward at 1 September 2007		8,846,999	8,502,570
Balances carried forward at 31 August 2008		8,699,667	8,846,999

The notes on pages 14 to 20 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2008

	Notes	2008 £	2007 £
TANGIBLE FIXED ASSETS			
School buildings and equipment	4	9,305,154	8,753,441
INVESTMENTS	5	7	7
CURRENT ASSETS			
Debtors	6	217,578	170,048
Stock – finished goods		18,406	12,120
Cash		758,974	1,484,610
		994,958	1,666,778
CREDITORS: amounts due within one year	7	(1,121,388)	(1,139,108)
NET CURRENT ASSETS		(126,430)	527,670
TOTAL ASSETS LESS CURRENT LIABILITIES		9,178,731	9,281,118
CREDITORS: amounts due after more than one year			
Final term deposits		(479,024)	(434,079)
TOTAL NET ASSETS		8,699,707	8,847,039
CAPITAL AND RESERVES			
Called up share capital	8	40	40
UNRESTRICTED FUNDS			
General (Revaluation Reserve £715,681)		8,699,667	8,846,999
		8,699,707	8,847,039

Approved and authorised for issue by the Directors on
and signed on their behalf by


Directors

13/12/08

The notes on pages 14 to 20 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2008

	2008	2007
	£	£
Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations		
Net incoming resources	(147,332)	344,429
Depreciation and amortisation charges	484,796	462,112
Profit on sale of tangible fixed asset	-	(413,248)
(Increase)/Decrease in debtors	(47,530)	32,493
Increase in stock	(6,286)	(3,476)
Increase in creditors	27,225	154,644
Interest received	(86,755)	(60,160)
Net cash inflow from operations	<u>224,118</u>	<u>516,794</u>

CASH FLOW STATEMENT

Net cash inflow from operations	224,118	516,794
Returns on investments and servicing of finance		
Interest received	<u>86,755</u>	<u>60,160</u>
Net cash inflow from returns on investments and servicing of finance	86,755	60,160
Capital expenditure and financial investment		
Sale proceeds from sale of tangible fixed assets	-	468,716
Payments to acquire tangible assets	<u>(1,036,509)</u>	<u>(458,574)</u>
Net cash Inflow/(outflow) from capital expenditure and financial investment	(1,036,509)	10,142
(Decrease)/Increase in cash in the year	<u>(725,636)</u>	<u>587,096</u>

Analysis of Changes in Net Funds

	31 August 2007 £	Cash Flows £	31 August 2008 £
Cash at bank and in hand	<u>1,484,610</u>	<u>(725,636)</u>	<u>758,974</u>

The notes on pages 14 to 20 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES

a) Basis of Preparation

The accounts are prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with The Companies Act 1985, applicable accounting standards and the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005)".

The School owns the whole of the share capital of St. Christopher School Guilds Limited. In the opinion of the Governors the activities of the company are not material in the context of the overall accounts and therefore consolidated accounts are not prepared. The company results and net assets position at the balance sheet date are set out in note 11.

b) Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- over 50 years
Long leasehold property, acquired prior to 1979	- over the term of the lease
Long leasehold property other	- over 50 years
Swimming pool	- over 25 years
Plant	- over 10 years
Leasehold improvements	- over 10 years
Fixtures, fittings and equipment	- over 5 years
Motor vehicles	- over 5 years
Computer equipment	- over 1 year
Temporary classrooms	- over 10 years

Long leasehold property is considered by the directors to have a sufficient economic life to allow it to be amortised over its lease term of 106 years, as at 31 August 2008. Its service potential is such that the directors consider the carrying value, which under the transitional provisions of FRS 15 will not be updated, is not impaired. The directors will review this position annually.

The School capitalises all items over £1,000.

c) Fees

Fees consist of charges for the School year ending 31 August 2008 less bursaries and allowances.

d) Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amounts attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of complying with the constitutional and statutory requirements of the charity.

e) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES (CONTINUED)

f) Pensions

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The Scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS17 the Scheme is accounted for as a defined contribution scheme. The School also contributes to a defined contribution pension scheme for its non-teaching staff.

g) Funds

Unrestricted School funds are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

2. FEES RECEIVABLE

	2008 £	2007 £
Fees receivable consists of:		
Gross fees	6,803,827	6,358,064
Less: Bursaries	(293,455)	(189,960)
Allowances	(443,169)	(434,867)
	<u>6,067,203</u>	<u>5,733,237</u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

2008	Staff costs £	Other £	Depreciation £	Total £
Cost of Generating Funds				
Swimming pool costs	<u>97,427</u>	<u>56,776</u>	<u>-</u>	<u>154,203</u>
Charitable Expenditure:				
Education	3,023,709	326,946	125,842	3,476,497
Welfare	486,069	291,752	7,644	785,465
Premises	363,920	499,389	335,906	1,199,215
Support costs	431,098	390,124	15,404	836,626
	<u>4,304,796</u>	<u>1,508,211</u>	<u>484,796</u>	<u>6,297,803</u>
Other Expenditure:				
Governance costs	-	14,834	-	14,834
	<u>4,402,223</u>	<u>1,579,821</u>	<u>484,796</u>	<u>6,466,840</u>
2007				
Cost of Generating Funds				
Swimming pool costs	<u>84,742</u>	<u>55,713</u>	<u>-</u>	<u>140,455</u>
Charitable Expenditure:				
Education	2,868,902	241,928	115,664	3,226,494
Welfare	472,967	214,767	11,888	699,622
Premises	336,925	464,189	318,128	1,119,242
Support costs	416,059	370,175	16,432	802,666
	<u>4,094,853</u>	<u>1,291,059</u>	<u>462,112</u>	<u>5,848,024</u>
Other Expenditure:				
Governance costs	-	18,116	-	18,116
	<u>4,179,595</u>	<u>1,364,888</u>	<u>462,112</u>	<u>6,006,595</u>

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

	2008 £	2007 £
Expenditure includes the following:		
Direct charitable expenditure includes:		
Ex-Gratia and redundancy costs	-	26,500
Other expenditure includes:		
Auditor's remuneration:		
for audit	14,184	15,095
Operating lease rentals – other	37,387	35,317
Depreciation	484,796	462,112
Staff Costs		
Wages and salaries	3,669,910	3,482,588
Social security costs	314,720	306,360
Pension contributions	417,593	390,647
	4,402,223	4,179,595

The average number of employees in the year was 128 (2007 - 126) of which 59 (2007 - 54) were full time teaching staff. Neither the Directors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation.

The number of employees whose emoluments exceeded £60,000 were:

	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-

Pension contributions in respect of higher paid employees of £30,857 (2007 - £19,609) were charged to the Statement of Financial Activities during the year.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold Property £	Motor Vehicles £	Fixtures Fittings and Equipment £	Leasehold Improvements £	Plant £	Computer Equipment £	Total £
Cost/valuation								
1 September 2007	162,050	10,743,325	72,810	1,750,770	375,940	65,208	902,898	14,073,001
Additions	1,115	-	30,234	262,585	681,025	-	61,550	1,036,509
31 August 2008	163,165	10,743,325	103,044	2,013,355	1,056,965	65,208	964,448	15,109,510
Depreciation								
1 September 2007	48,297	2,736,129	57,296	1,518,275	46,605	10,060	902,898	5,319,560
Charge for year	2,863	211,254	11,218	132,042	59,348	6,521	61,550	484,796
31 August 2008	51,160	2,947,383	68,514	1,650,317	105,953	16,581	964,448	5,804,356
Net book values								
31 August 2008	112,005	7,795,942	34,530	363,038	951,012	48,627	-	9,305,154
31 August 2007	113,753	8,007,196	15,514	232,495	329,335	55,148	-	8,753,441

The value of leasehold land and buildings shown above includes a valuation of £1,116,000 for land and buildings that had a historical cost of £400,319. This valuation has been frozen under the transitional provisions of FRS 15.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

5. INVESTMENTS	2008 £	2007 £
Investment in subsidiary undertaking (note 11)	<u>7</u>	<u>7</u>

6. DEBTORS		
Fees	42,494	26,881
Amounts owed by subsidiary undertaking	10,311	10,986
Other debtors	26,192	23,311
Prepayments and accrued income	138,581	108,870
	<u>217,578</u>	<u>170,048</u>

7. CREDITORS: Due within one year		
Fees in Advance	698,439	788,761
Final term deposits	72,351	59,991
Trade creditors	106,677	27,384
Other taxes and social security	96,230	84,794
Accruals and deferred income	110,891	122,891
Other creditors	36,800	55,287
	<u>1,121,388</u>	<u>1,139,108</u>

8. SHARE CAPITAL	No. 2008	Value 2008	No. 2007	Value 2007
Authorised				
Ordinary shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
Allotted and fully paid:				
Ordinary shares of £1 each	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>

The ordinary shareholders have no rights to receive any dividend or bonus out of profits and no rights to surplus assets on a winding up.

9. OPERATING LEASE COMMITMENTS	2008 £	2007 £
Annual commitments under operating leases expiring:		
within one year	2,832	-
within two to five years	32,731	33,363
	<u>35,563</u>	<u>33,363</u>

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

10. TEACHERS' PENSION DEFINED BENEFITS SCHEME

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations; a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £307,191 (2007: £281,173).

The School also runs a defined contribution pension scheme for non-teaching staff. The cost for the year represents the School's contribution to the scheme of £110,402 (2007: £109,474).

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2008

11. ST CHRISTOPHER SCHOOL GUILDS LIMITED

The school holds a 100% interest in a trading company, St Christopher School Guilds Limited, with the School receiving any surpluses earned by the company as a covenanted donation.

The financial statements of the company for the year ended 31 August 2008 which are not consolidated with the School financial statements, showed the following position:

BALANCE SHEET	2008	2007
	£	£
CURRENT ASSETS		
Debtors	1,259	999
Cash	10,087	11,017
	11,346	12,016
 CREDITORS: amounts falling due within one year	(11,339)	(12,009)
 NET CURRENT ASSETS	7	7
 TOTAL NET ASSETS	7	7
 CAPITAL AND RESERVES		
Called up share capital	7	7
Profit and loss account (below)	-	-
	7	7
 PROFIT AND LOSS ACCOUNT		
Turnover	13,270	8,736
Operating Costs	(4,131)	(3,720)
 Profit from continuing activities	9,139	5,016
Covenanted donation gross	(9,139)	(4,434)
Balance brought forward	-	(582)
 Balance carried forward	-	-

12. RELATED PARTY TRANSACTIONS

Included within 2008 operating costs of St Christopher School Guilds Limited is £3,000 (2007: £3,000) recharged from the School which represents a reimbursement in respect of time spent by the Charity's staff on subsidiary business.

The school has incurred expenditure totalling £15,622 (2007: £15,434) for goods supplied by David's Bookshop (Letchworth) Limited, of which a trustee, William Armitage, is a director and shareholder.