

COMPANY NUMBER: 535836
REGISTERED CHARITY NUMBER: 311062

**ST CHRISTOPHER SCHOOL
(LETCWORTH) LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007**



ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
YEAR ENDED 31 AUGUST 2007

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, 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	
S C J Reeve	(resigned 18 May 2007)
H M Szirtes	
K L Jones	
M Pocha	
C Smith	(appointed 18 May 2007)

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	D J Wilkinson (Resigned 30 September 2006) R Palmer (Appointed Acting Head 1 October 2006 and Substantive Head from 1 January 2007)
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Bursar and Company Secretary	W S B Hawkes
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Auditors	Horwath Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
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Principal Bankers	Barclays Bank plc Station Place Letchworth Garden City Hertfordshire
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Principal Solicitors	Brignalls, Balderston and Warren Broadway Chambers Letchworth Garden City Hertfordshire
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ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2007

The Board of Directors present their annual report for the year ended 31 August 2007 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 RELATIONSHIP

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 2007, the St Christopher School Guilds Limited provided facilities for external organizations 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.

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2007

The School is also committed to an element of self-government. 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 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.

STRATEGIC AIM AND INTENDED EFFECT

The School's strategic aim to reach its annual objective 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.

St Christopher is committed to providing a first class education in an informal and caring environment. We aim to ensure that all achieve the success they deserve without relying on contrived competition.

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2007

OBJECTIVES FOR THE YEAR

The governors and senior management team at the School set as their objective the aim of increasing the number of pupils, especially boarders, who were able to take advantage of the education that St Christopher provided

During the year a new sixth form boarding house was created, which opened in September 2007

While the total number of pupils, including boarders, at the School fell, in the year ended 31 August 2007, applications and acceptances for the 2007/08 academic year have increased and the new sixth form boarding house is already full

We have developed our marketing and communication strategy to ensure that all who would benefit from being at the School know of us. A film has been commissioned to show 'The Spirit of St Christopher'. More open days and information sessions have been held.

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 24 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 131 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 364 children in the Senior School of whom 85 are in the Sixth Form.

GRANT-MAKING

We support pupils through our Bursary Scheme. This support, which is available on a needs basis as determined by the Head in consultation with the Bursar, reduces annual fee income by £190k. During the year we were able to offer support to 31 pupils. In addition a separate charitable trust, established by an Old Scholar, funds bursaries at the School.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2007

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

OPERATIONAL PERFORMANCE OF THE SCHOOL

In September 2006, The governors appointed Richard Palmer, as the Acting Head, following the resignation of the previous head whilst they sought a permanent replacement. After a full and open recruitment process Richard Palmer was appointed as the permanent head of the School in December of 2006 with effect from January 2007. Under his leadership the School has developed well and there has been a welcome increase in numbers in the new academic year (2007/8).

An early priority for the new Head was to address the decline in boarding numbers and major new initiatives were started in improving the physical provision for Boarders and providing an opportunity for day children to become involved in the wider life of the School. A new VI form boarding House was planned, together with a specific provision for Boarders who wish to stay at the weekend. New Houseparents were appointed to both of these positions.

The vast majority of our leavers gained their desired places for the next stage of their lives. 55% of our A level candidates gained a grade A or B. 93% gained A* - C at GCSE and 100% of candidates gained at least 5 A* - C passes.

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.

The School's community work, both here and abroad continues to go from strength to strength further recognising the schools commitment to service. All Lower VI students are required to complete a significant period of Community work and the School is planning to start a 'lend-a-hand for Letchworth' programme. All children in the Senior School will be required to support a local charity or group. This support may be through fundraising or it may be through offering physical assistance. They will 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.

We continue actively to support three major overseas projects, The White Lotus School in Ladakh (which staff and pupils visit as part of a three week trek every other year), various NGO's 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 first awards ceremony in November 2006 and this was well attended. It is planned to further develop this to recognise the significant commitment award winners have made. We hope to have some students passing the gold award for the first time.

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FOR THE YEAR ENDED 31 AUGUST 2007

The School is working towards re-accreditation as an 'Eco-School' and an audit of the curriculum and School's operation has been started and will continue. A member of staff has responsibility for coordinating our environmental and ecological initiatives and they work as part of the 'Environment committee' 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. The Head and Bursar attended a meeting in North London in January to meet with parents who live there and whose children commute daily to School, either by bus or train. Parents support the charitable events within School and have expressed a desire to organise more social events for which they have the School's full support.

After a period of uncertainty there has been stability and growth this year and this is due to the dedication and hard work of all members of the School Community. Numbers for the start of the academic year 2007/8 have stabilised and grown from 501 in September 2006 to 515 for September 2007.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's net income of £344k includes a surplus generated by the sale of Ventersdorp, a property outside the main School campus that had been used for staff accommodation. This sale realised a surplus of £413k, which the Governors have earmarked to support future development programmes at the School. After allowing for this, the School made a small deficit on its activities for the year of £69k. The Governors had budgeted for a loss for the year and, despite a change of Head at the beginning of the academic year, better than forecast pupil numbers and tight cost control kept this loss to a minimum.

Fees at the Junior School remained the same as those charged in 2005/06, while the fees in the Senior School rose by 5 % on those charged in 2005/06.

The cash flows for the School remain good, it has no borrowings, and it continues to have a strong net asset position of £8.8 million (2005/06 £8.5 million).

The results for the year are set out on page 9 of the accounts.

RESERVES

The Directors 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 £8,847k. The School's buildings represent £8,121k and other fixed assets total £632k.

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 at least one month's expenditure. At the year end the School held cash reserves equating to nearly three months' expenditure due to the sale of a property. The additional funds have been earmarked for development projects during the year.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2007

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 with the new head and his senior colleagues have conducted a strategic review and a new development plan is in the course of preparation. Pupils, staff and parents will be consulted on the plan before it is finalised. Part of that plan is a review of the School's facilities to ensure that the School makes the best use of its site and facilities. We are committed to ensuring that our curriculum and teaching methods ensure that all pupils excel in their chosen area, that they benefit from a wide range of extra-curricular activities and that we continue our community programme. The School is also committed to maintaining and, to the extent it is financially possible, extending our bursary programme.

We will endeavour to strengthen further our academic monitoring, and the close interplay between pastoral and academic progress. We will continue to seek ways for all to achieve and for all to be rewarded for their successes.

Through the long-established School Council we will further develop the school's system of self-government. There will be an early review of the constitution of Council in consultation with pupils. Any necessary changes will be implemented to the Council system.

As a School we are committed to personal development and all staff will be given the opportunity to further develop their professional lives through training and development. Further developments in staff training and schemes for professional development will allow the School to identify the needs of individuals and help them to develop both personally and professionally.

We are intending to develop a range of 'Parent Information Sessions' to offer support and guidance to parents on a number of 'parenting' related issues (such as safe use of the internet, substance abuse, supporting emerging readers, etc). We are looking to develop these in conjunction with the Parents' Circle and we hope that they will also provide social opportunities for parents.

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. - - -

The Governors would like to thank the Head and his staff for their 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.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2007

DIRECTORS

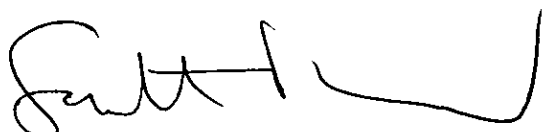
The Directors during the year under review and the shares in the company in which they were interested at the beginning and end of the year were

	Ordinary shares of £1 each	
	At 31 August 2007	At 1 September 2006
A G Pollard	4	4
F V McClure	4	4
W G Armitage	4	4
K Martins	4	4
S C J Reeve (resigned 18 May 2007)	-	4
C D Brown	4	4
I C Cotterill	4	4
H M Szirtes	4	-
K L Jones	4	-
M Pocha	4	-
C Smith (appointed 18 May 2007)	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

14/12/07

ST CHRISTOPHER SCHOOL (LETCWORTH) 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 the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. The Directors have each taken all the steps that we ought to have taken as Directors in order to make ourselves 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 2007 (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

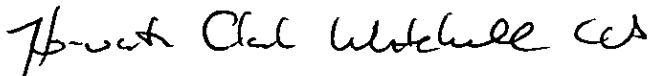
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 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 17/2/07

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

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2007

INCOME AND EXPENDITURE (UNRESTRICTED FUNDS)

	Notes	2007 £	2006 £
Income from Charitable Activities			
Fees receivable	2	5,733,237	5,794,385
Coaching charges		8,960	12,426
Incoming Resources from Generated Funds			
Donations		5,707	12,946
Covenanted donations		4,434	-
Activities to generate funds			
- Swimming pool income		119,391	88,965
Bank and other interest		60,160	45,982
Other income		5,707	38,285
Surplus on disposal of fixed assets		413,428	-
Total Incoming Resources		<u>6,351,024</u>	<u>5,992,989</u>
RESOURCES EXPENDED			
Cost of Generating Funds			
Swimming pool costs		140,455	133,065
Charitable Activities:			
School operating costs		5,848,024	5,763,538
Governance costs		<u>18,116</u>	<u>12,916</u>
Total Resources Expended	3	<u>6,006,595</u>	<u>5,909,519</u>
Net movement in funds		344,429	83,470
Balances brought forward at 1 September 2006		<u>8,502,570</u>	<u>8,419,100</u>
Balances carried forward at 31 August 2007		<u>8,846,999</u>	<u>8,502,570</u>

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

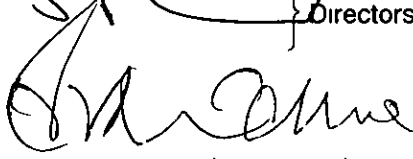
ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2007

	Notes	2007 £	2006 £
TANGIBLE FIXED ASSETS			
School buildings and equipment	4	8,753,441	8,812,447
INVESTMENTS	5	7	7
CURRENT ASSETS			
Debtors	6	170,048	202,541
Stock – finished goods		12,120	8,644
Cash		<u>1,484,610</u>	<u>897,514</u>
		1,666,778	1,108,699
CREDITORS: amounts due within one year	7	<u>(1,139,108)</u>	<u>(1,004,166)</u>
NET CURRENT ASSETS		<u>527,670</u>	<u>104,533</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,281,118	8,916,987
CREDITORS: amounts due after more than one year			
Final term deposits		<u>(434,079)</u>	<u>(414,377)</u>
TOTAL NET ASSETS		<u>8,847,039</u>	<u>8,502,610</u>
CAPITAL AND RESERVES			
Called up share capital	8	40	40
UNRESTRICTED FUNDS			
General (Revaluation Reserve £715,681)		<u>8,846,999</u>	<u>8,502,570</u>
		<u>8,847,039</u>	<u>8,502,610</u>

Approved by the Directors on
and signed on its behalf by

A. S. J. } Directors

14/12/07

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 2007

	£	2007 £	2006 £
Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations			
Net incoming resources		344,429	83,470
Depreciation and amortisation charges		462,112	477,571
Profit on sale of tangible fixed asset		(413,248)	-
Decrease in debtors		32,493	14,462
Increase in stock		(3,476)	(8,644)
Increase/(Decrease) in creditors		154,644	(51,578)
Interest received		(60,160)	(45,982)
Net cash inflow from operations		<u>516,794</u>	<u>469,299</u>

CASH FLOW STATEMENT

Net cash inflow from operations		516,794	469,299
Returns on investments and servicing of finance			
Interest received	<u>60,160</u>		<u>45,982</u>
Net cash inflow from returns on investments and servicing of finance		60,160	45,982
Capital expenditure and financial investment			
Sale proceeds from sale of tangible fixed assets	<u>468,716</u>		-
Payments to acquire tangible assets	<u>(458,574)</u>		<u>(391,166)</u>
Net cash inflow/(outflow) from capital expenditure and financial investment		10,142	(391,166)
Financing			
Issue of ordinary share capital		<u>-</u>	<u>12</u>
Increase in cash in the year		<u>587,096</u>	<u>124,127</u>

Analysis of Changes in Net Funds

	31 August 2006 £	Cash Flows £	31 August 2007 £
Cash at bank and in hand	<u>897,514</u>	<u>587,096</u>	<u>1,484,610</u>

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

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2007

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 107 years, as at 31 August 2007. 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 2007 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 2007

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

	2007 £	2006 £
Fees receivable consists of		
Gross fees	6,358,064	6,569,585
Less Bursaries	(189,960)	(293,772)
Allowances	(434,867)	(481,428)
	<u>5,733,237</u>	<u>5,794,385</u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

2007	Staff costs £	Other £	Depreciation £	Total £
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>
2006				
Cost of Generating Funds				
Swimming pool costs	<u>83,963</u>	<u>49,102</u>	<u>-</u>	<u>133,065</u>
Charitable Expenditure:				
Education	2,796,079	317,049	133,105	3,246,233
Welfare	461,576	198,865	13,302	673,743
Premises	318,641	459,271	312,774	1,090,686
Support costs	398,740	335,746	18,390	752,876
	<u>3,975,036</u>	<u>1,310,931</u>	<u>477,571</u>	<u>5,763,538</u>
Other Expenditure:				
Governance costs	-	12,916	-	12,916
	<u>4,058,999</u>	<u>1,372,949</u>	<u>477,571</u>	<u>5,909,519</u>

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

	2007 £	2006 £
Expenditure includes the following:		
Direct charitable expenditure includes.		
Ex-Gratia and redundancy costs	<u>26,500</u>	<u>44,596</u>
Other expenditure includes		
Auditor's remuneration		
for audit	15,095	12,500
Operating lease rentals – other	35,317	35,232
Depreciation	<u>462,112</u>	<u>477,571</u>
Staff Costs		
Wages and salaries	3,482,588	3,381,477
Social security costs	306,359	291,861
Pension contributions	<u>390,647</u>	<u>385,661</u>
	<u>4,179,594</u>	<u>4,058,999</u>

The average number of employees in the year was 126 (2006 - 132) of which 54 (2006 - 60) 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	-
£80,001 - £90,000	<u>-</u>	<u>1</u>

Pension contributions in respect of higher paid employees of £19,609 (2006 - £21,978) were charged to the Statement of Financial Activities during the year.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

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 2006	162,050	10,816,373	72,810	1,803,114	-	-	835,167	13,689,514
Additions	-	2,039	-	73,157	285,829	29,818	67,731	458,574
Transfers	-	-	-	(125,501)	90,111	35,390	-	-
Disposals	-	(75,087)	-	-	-	-	-	(75,087)
31 August 2007	162,050	10,743,325	72,810	1,750,770	375,940	65,208	902,898	14,073,001
Depreciation								
1 September 2006	45,456	2,544,494	52,124	1,399,826	-	-	835,167	4,877,067
Adjustment for disposals	-	(19,619)	-	-	-	-	-	(19,619)
Adjustment for transfers	-	-	-	(25,100)	18,022	7,078	-	-
Charge for year	2,841	211,254	5,172	143,549	28,583	2,982	67,731	462,112
31 August 2007	48,297	2,736,129	57,296	1,518,275	46,605	10,060	902,898	5,319,560
Net book values								
31 August 2007	113,753	8,007,196	15,514	232,495	329,335	55,148	-	8,753,441
31 August 2006	116,594	8,271,879	20,686	403,288	-	-	-	8,812,447

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 2007

5. INVESTMENTS			2007	2006
			£	£
Investment in subsidiary undertaking (note 11)			<u>7</u>	<u>7</u>
6. DEBTORS				
Fees			26,881	82,428
Amounts owed by subsidiary undertaking			10,986	7,610
Other debtors			23,311	38,225
Prepayments and accrued income			<u>108,870</u>	<u>74,278</u>
			<u>170,048</u>	<u>202,541</u>
7. CREDITORS: Due within one year				
Fees in Advance			788,761	645,249
Final term deposits			59,991	68,142
Trade creditors			27,384	67,592
Other taxes and social security			84,794	85,549
Accruals and deferred income			122,891	70,538
Other creditors			<u>55,287</u>	<u>67,096</u>
			<u>1,139,108</u>	<u>1,004,166</u>
8. SHARE CAPITAL	No.	Value	No.	Value
	2007	2007	2006	2006
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			2007	2006
			£	£
Annual commitments under operating leases expiring within one year			-	1,199
within two to five years			<u>33,363</u>	<u>32,631</u>
			<u>33,363</u>	<u>33,830</u>

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

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 has been assessed at 19.75%, with a supplementary contribution of 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations. 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 from the 2008 valuation - a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £281,173 (2006 £280,035).

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 £109,474 (2006 £105,626).

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

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 2007 which are not consolidated with the School financial statements, showed the following position

BALANCE SHEET	2007	2006
	£	£
CURRENT ASSETS		
Debtors	999	-
Cash	11,017	7,354
	12,016	7,354
 CREDITORS: amounts falling due within one year	 (12,009)	 (7,929)
NET CURRENT ASSETS/(LIABILITIES)	7	(575)
TOTAL NET ASSETS/(LIABILITIES)	7	(575)
 CAPITAL AND RESERVES		
Called up share capital	7	7
Profit and loss account (below)	-	(582)
	7	(575)
 PROFIT AND LOSS ACCOUNT		
Turnover	8,736	132
Operating Costs	(3,720)	(714)
 Profit/(loss) from continuing activities	5,016	(582)
Covenanted donation gross	(4,434)	-
Balance brought forward	(582)	-
 Balance carried forward	-	(582)

12. RELATED PARTY TRANSACTIONS

Included within 2007 operating costs of St Christopher School Guilds Limited is £3,000 (2006 £nil) recharged from the School which represents a reimbursement in respect of time spent by the Charity's staff on subsidiary business