

**ST CHRISTOPHER SCHOOL  
(LETCWORTH) LIMITED  
DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2006**

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**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**YEAR ENDED 31 AUGUST 2006**

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**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	(appointed 1 September 2005)
H M Szirtes	(appointed 12 May 2006)
K L Jones	(appointed 12 May 2006)
M Pocha	

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**

<b>Head</b>	D J Wilkinson (Resigned 30 September 2006) R Palmer (Appointed Acting Head 1 October 2006)
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<b>Bursar and Company Secretary</b>	W S B Hawkes
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<b>Auditors</b>	Horwath Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
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<b>Principal Bankers</b>	Barclays Bank plc Station Place Letchworth Garden City Hertfordshire
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<b>Principal Solicitors</b>	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 2006**

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The Board of Directors present their annual report for the year ended 31 August 2006 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 2006, the St Christopher School Guilds Limited undertook no major activity.

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 parents and members of the local community. In addition, its swimming pool is regularly open to other organisations, as are other facilities. There are also strong links with regional arts associations. There is a community service programme.

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.

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

**ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

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**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 authorization 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.

**OBJECTIVES FOR THE YEAR**

St Christopher believes in putting the child's interest first. Children are individuals, they develop differently from one another. They need, and they value, encouragement and guidance. By our distinctive blend of informality and sense of purpose we aim to ensure that a child's time at the School will be happy, positive, productive and fulfilling.

This year, the focus of the School has been to improve the ability of its pupils to make the most of the world that they enter. This has included improving the academic results of the pupils, improving the level of success that they have in their progress to Higher Education and increasing the involvement of children in extra-curricular activities, particularly the School's overseas projects and the Duke of Edinburgh's Award scheme.

**ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

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**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 14 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 118 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 372 children in the Senior School of whom 82 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 £294,000. During the year we were able to offer support to 47 pupils. In addition a separate charitable trust, established by an Old Scholar, funds bursaries at the School.

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

**OPERATIONAL PERFORMANCE OF THE SCHOOL**

This year 98% of our leavers achieved places at their first choice of University or College. 67% of our A level pupils gained either an A or a B at A level and 45% gained A\* or A at GCSE.

The School is committed to taking an appropriate number of pupils with special educational needs provided they are suitable for the education that the School provides. These have included children with specific learning difficulties and disabilities such as Asperger's syndrome (who have done particularly well in the structured yet supportive climate).

The second year of the School's programme working with young orphans in Kosovo, has been very successful. The School has recently been awarded the International School Award by the DfES, through the British Council. This prestigious award recognises the quality of the School's international projects.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The School's net income of £83,000 was above the budgeted break-even position for the year and was achieved through a comprehensive cost management exercise and careful management of staff costs.

Fees were increased by 7.5% on those charged in 2004/05, reflecting increased costs particularly of staff, following changes to the Teachers Pension Scheme. The cash flows for the School remain good and it continues to have a strong net asset position of £8.5 million (2004/05 £8.4 million).

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

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

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**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 £8,502,570. The School's buildings represent £8,388,473 and other fixed assets total £423,974.

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.

**MARKET VALUE OF LAND AND BUILDINGS**

The leasehold properties were revalued by the Directors on 31 August 1979 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 number of pupils at the School, particularly boarders, has fallen over the last year. The Governors and senior Management Team are committed to increasing the number of pupils taking advantage of the education that St Christopher School offers and to maintaining a thriving boarding community. An increase in numbers is desirable to make full use of the School's resources and to increase the funds available for future investment. Governors hope that with the inspiration that the pupils' own success provides to the School and with the appointment of a new Head, the School will continue to grow. 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.

**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 2006	At 1 September 2005
A G Pollard	4	4
F V McClure	4	4
W G Armitage	4	4
K Martins	4	4
S C J Reeve	4	4
C D Brown	4	4
I C Cotterill	4	4
H M Szirtes (appointed 1 September 2005)	4	-
K L Jones (appointed 12 May 2006)	4	-
M Pocha (appointed 12 May 2006)	4	-

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

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**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

A G Pollard  
Chairman

A-G Pollard  
16/3/07

## **ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 2006 (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 2006 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.

*John Clark Whitehill*

**Horwath Clark Whitehill LLP**  
Chartered Accountants and Registered Auditors  
Date 16/3/07

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

**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**INCOME AND EXPENDITURE (UNRESTRICTED FUNDS)**


	Notes	2006 £	2005 £
<b>Income from Charitable Activities</b>			
Fees receivable	2	5,794,385	6,084,839
Coaching charges		12,426	16,361
<b>Incoming Resources from Generated Funds</b>			
Donations		12,946	20,242
Covenanted donations		-	26,234
Activities to generate funds			
- Swimming pool income		88,965	115,903
<b>Bank and other interest</b>		45,982	46,585
<b>Other income</b>		38,285	20,741
<b>Total Incoming Resources</b>		<u>5,992,989</u>	<u>6,330,905</u>
<b>RESOURCES EXPENDED</b>			
<b>Cost of Generating Funds</b>			
Swimming pool costs		133,065	126,603
<b>Charitable Activities</b>			
School operating costs		5,763,538	6,051,158
<b>Governance costs</b>		<u>12,916</u>	<u>15,399</u>
<b>Total Resources Expended</b>	3	<u>5,909,519</u>	<u>6,193,160</u>
<b>Net movement in funds</b>		83,470	137,745
Balances brought forward at 1 September 2005		<u>8,419,100</u>	<u>8,281,355</u>
<b>Balances carried forward at 31 August 2006</b>		<u>8,502,570</u>	<u>8,419,100</u>

The notes on pages 12 to 17 form part of these accounts

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2006**

	Notes	2006 £	2005 £
<b>TANGIBLE FIXED ASSETS</b>			
School buildings and equipment	4	8,812,447	8,898,852
<b>INVESTMENTS</b>	5	7	7
<b>CURRENT ASSETS</b>			
Debtors	6	202,541	217,003
Stock – finished goods		8,644	-
Cash		897,514	773,387
		1,108,699	990,390
<b>CREDITORS</b> amounts due within one year	7	(1,004,166)	(1,071,591)
<b>NET CURRENT ASSETS</b>		104,533	(81,201)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,916,987	8,817,658
<b>CREDITORS</b> amounts due after more than one year			
Final term deposits		(414,377)	(398,530)
<b>TOTAL NET ASSETS</b>		8,502,610	8,419,128
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	40	28
<b>UNRESTRICTED FUNDS</b>			
General (Revaluation Reserve £715,681)		8,502,570	8,419,100
		8,502,610	8,419,128

Approved by the Directors on  
and signed on its behalf by

A.S.J. } Directors  
 6/3/07

The notes on pages 12 to 17 form part of these accounts.

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

	£	2006 £	2005 £
<b>Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations</b>			
Net incoming resources		83,470	137,745
Depreciation and amortisation charges		477,571	425,276
Decrease/(Increase) in debtors		14,462	(28,703)
Increase in stock		(8,644)	-
(Decrease)/Increase in creditors		(51,578)	199,956
Interest received		<u>(45,982)</u>	<u>(46,585)</u>
Net cash inflow from operations		<u>469,299</u>	<u>687,689</u>

**CASH FLOW STATEMENT**

Net cash inflow from operations		469,299	687,689
Returns on investments and servicing of finance			
Interest received	<u>45,982</u>		<u>46,585</u>
Net cash inflow from returns on investments and servicing of finance		45,982	46,585
Capital expenditure and financial investment			
Payments to acquire tangible assets	<u>(391,166)</u>		<u>(254,531)</u>
Net cash outflow from capital expenditure and financial investment		(391,166)	(254,531)
Financing			
Issue of ordinary share capital		<u>12</u>	<u>-</u>
Increase in cash in the year		<u>124,127</u>	<u>479,743</u>

**Analysis of Changes in Net Funds**

	31 August 2005 £	Cash Flows £	31 August 2006 £
Cash at bank and in hand	<u>773,387</u>	<u>124,127</u>	<u>897,514</u>

The notes on pages 12 to 17 form part of these accounts

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

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**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/plant	- over 25/10 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 2006. 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 2006 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 (LETCHEWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**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.

<b>2. FEES RECEIVABLE</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Fees receivable consists of		
Gross fees	6,569,585	6,848,723
Less Bursaries	(293,772)	(277,091)
Allowances	(481,428)	(486,793)
	<u>5,794,385</u>	<u>6,084,839</u>

**3 ANALYSIS OF TOTAL RESOURCES EXPENDED**

<b>2006</b>	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of Generating Funds</b>				
Swimming pool costs	<u>83,963</u>	<u>49,102</u>	<u>-</u>	<u>133,065</u>
<b>Charitable Expenditure:</b>				
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	<u>398,740</u>	<u>335,746</u>	<u>18,390</u>	<u>752,876</u>
	<u>3,975,036</u>	<u>1,310,931</u>	<u>477,571</u>	<u>5,763,538</u>
<b>Other Expenditure.</b>				
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>
<b>2005</b>				
<b>Cost of Generating Funds</b>				
Swimming pool costs	<u>86,413</u>	<u>40,190</u>	<u>-</u>	<u>126,603</u>
<b>Charitable Expenditure.</b>				
Education	2,946,415	364,601	124,408	3,435,424
Welfare	606,036	237,251	11,715	855,002
Premises	431,019	399,803	287,689	1,118,511
Support costs	<u>351,759</u>	<u>288,998</u>	<u>1,464</u>	<u>642,221</u>
	<u>4,335,229</u>	<u>1,290,653</u>	<u>425,276</u>	<u>6,051,158</u>
<b>Other Expenditure.</b>				
Governance costs	-	15,399	-	15,399
	<u>4,421,642</u>	<u>1,346,242</u>	<u>425,276</u>	<u>6,193,160</u>

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**3 ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)**

	2006 £	2005 £
<b>Expenditure includes the following.</b>		
Direct charitable expenditure includes		
Ex-Gratia and redundancy costs	<u>44,596</u>	<u>74,620</u>
Other expenditure includes		
Auditor's remuneration for audit	12,500	12,279
Operating lease rentals – other	35,232	35,375
Depreciation	<u>477,571</u>	<u>425,276</u>
<b>Staff Costs</b>		
Wages and salaries	3,381,477	3,681,579
Social security costs	291,861	319,925
Pension contributions	<u>385,661</u>	<u>420,138</u>
	<u><b>4,058,999</b></u>	<u><b>4,421,642</b></u>

The average number of employees in the year was 132 (2005 – 152) of which 60 (2005 - 68) 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>1</u>	<u>-</u>

Pension contributions in respect of higher paid employees of £21,978 (2005 - £20,084) 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 2006**

**4 TANGIBLE FIXED ASSETS**

	Freehold Property £	Long Leasehold Property £	Motor vehicles £	Fixtures fittings and Equipment £	Computer Equipment £	Total £
Cost/valuation						
1 September 2005	162,050	10,769,082	63,731	1,565,143	755,121	13,315,127
Additions	-	47,291	25,858	237,971	80,046	391,166
Disposals	-	-	(16,779)	-	-	(16,779)
<b>31 August 2006</b>	<b>162,050</b>	<b>10,816,373</b>	<b>72,810</b>	<b>1,803,114</b>	<b>835,167</b>	<b>13,689,514</b>
Depreciation						
1 September 2005	42,615	2,332,050	63,731	1,222,758	755,121	4,416,275
Adjustment for disposals	-	-	(16,779)	-	-	(16,779)
Charge for year	2,841	212,444	5,172	177,068	80,046	477,571
<b>31 August 2006</b>	<b>45,456</b>	<b>2,544,494</b>	<b>52,124</b>	<b>1,399,826</b>	<b>835,167</b>	<b>4,877,067</b>
<b>Net book values</b>						
<b>31 August 2006</b>	<b>116,594</b>	<b>8,271,879</b>	<b>20,686</b>	<b>403,288</b>	<b>-</b>	<b>8,812,447</b>
<i>31 August 2005</i>	<i>119,435</i>	<i>8,437,032</i>	<i>-</i>	<i>342,385</i>	<i>-</i>	<i>8,898,852</i>

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. These were revalued by the directors on 31 August 1979.

**5 INVESTMENTS**

	2006 £	2005 £
Investment in subsidiary undertaking (note 11)	<u>7</u>	<u>7</u>

**6. DEBTORS**

Fees	82,428	25,430
Amounts owed by subsidiary undertaking	7,610	43,829
Other debtors	38,225	59,337
Prepayments and accrued income	74,278	88,407
	<u>202,541</u>	<u>217,003</u>

**7. CREDITORS: Due within one year**

Fees in Advance	645,249	667,213
Final term deposits	68,142	90,029
Trade creditors	67,592	108,508
Other taxes and social security	85,549	108,485
Accruals and deferred income	70,538	55,707
Other creditors	67,096	41,649
	<u>1,004,166</u>	<u>1,071,591</u>



**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

<b>8 SHARE CAPITAL</b>	<b>No</b>	<b>Value</b>	<b>No</b>	<b>Value</b>
	<b>2006</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
Authorised				
Ordinary shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
Alotted and fully paid				
Ordinary shares of £1 each	<u>40</u>	<u>40</u>	<u>28</u>	<u>28</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**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Annual commitments under operating leases expiring		
within one year	<u>1,199</u>	<u>5,021</u>
within two to five years	<u>32,631</u>	<u>32,631</u>
	<u>33,830</u>	<u>37,652</u>

**10. TEACHERS' PENSION DEFINED BENEFITS SCHEME**

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

The last actuarial valuation of the Scheme by the Government Actuary related to the period 1 April 2001 to 31 March 2004 and revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the Scheme's notional assets by 2.0%

From 1 January 2007, and as part of the cost sharing agreement between employer and union representatives, the total contribution rate will be increased by 1% to 20.5%, comprising an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost sharing agreement will also introduce 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 £280,035 (2005 £295,290)

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 £105,626 (2005 £124,848)

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2006**

**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. During the year ended 31 August 2006, St Christopher School Guilds Limited undertook no major activity due to refurbishment work being undertaken.

The financial statements of the company for the year ended 31 August 2006 which are not consolidated with the School financial statements, showed the following position:

<b>BALANCE SHEET</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>		
Debtors	-	33,294
Cash	<u>7,354</u>	<u>10,876</u>
	<b>7,354</b>	<b>44,170</b>
 <b>CREDITORS, amounts falling due within one year</b>	 <u><b>(7,929)</b></u>	 <u><b>(44,163)</b></u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<u><b>(575)</b></u>	<u><b>7</b></u>
<b>TOTAL NET (LIABILITIES)/ASSETS</b>	<u><b>(575)</b></u>	<u><b>7</b></u>
 <b>CAPITAL AND RESERVES</b>		
Called up share capital	<b>7</b>	<b>7</b>
Profit and loss account (below)	<u><b>(582)</b></u>	<u><b>-</b></u>
	<u><b>(575)</b></u>	<u><b>7</b></u>
 <b>PROFIT AND LOSS ACCOUNT</b>		
Turnover	<b>132</b>	<b>37,690</b>
Operating Costs	<u><b>(714)</b></u>	<u><b>(11,456)</b></u>
(Loss)/Profit from continuing activities	<b>(582)</b>	<b>26,234</b>
Covenanted donation gross	<b>-</b>	<b>(26,234)</b>
Balance brought forward	<u><b>-</b></u>	<u><b>-</b></u>
Balance carried forward	<u><b>(582)</b></u>	<u><b>-</b></u>

**12. RELATED PARTY TRANSACTIONS**

Included within 2005 operating costs of St Christopher School Guilds Limited is £10,000 recharged from the School which represents a reimbursement in respect of time spent by the Charity's staff on subsidiary business.