

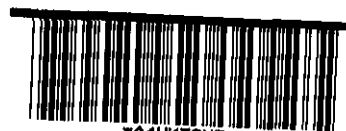
COMPANY NUMBER: 535836
REGISTERED CHARITY NUMBER: 311062

**ST CHRISTOPHER SCHOOL
(LETCWORTH) LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**



Horwath Clark Whitehill

Horwath Clark Whitehill LLP
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ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
YEAR ENDED 31 AUGUST 2004

COMPANY NUMBER 535836

REGISTERED CHARITY NUMBER 311062

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:

| | |
|---------------|------------------------------|
| N A Robertson | Vice-Chairman |
| A G Pollard | Chairman |
| V McClure | |
| W Armitage | |
| Mrs K Martins | |
| Mrs C Reeve | (appointed 1 September 2003) |

The Directors are elected at a full Directors' Meeting.

**COMPANY SECRETARY
AND SCHOOL BURSAR** Mrs P Murray-Jones

HEADMASTER C Reid

BUSINESS ADDRESS Barrington Road
Letchworth
Hertfordshire
SG6 3JZ

REGISTERED OFFICE Barrington Road
Letchworth
Hertfordshire
SG6 3JZ

AUDITORS Horwath Clark Whitehill
St. Bride's House
10 Salisbury Square
London
EC4Y 8EH

PRINCIPAL BANKERS Barclays Bank plc
Station Place
Letchworth
Hertfordshire

PRINCIPAL SOLICITORS Brignalls, Balderston and Warren
Broadway Chambers
Letchworth
Hertfordshire

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2004

The Directors present their report, together with the audited financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2004.

ORGANISATION, OBJECTS AND POLICY

The School is a registered charity and a limited company and is governed by its memorandum and articles of association.

The object of the school is the education of girls, boys and adult students of either sex.

The Directors determine the general policy of the School. There have been no changes in policy from the previous year. The day to day management is delegated to the Headmaster and the Bursar.

The results for the year are set out on page 6.

The Directors consider the net incoming resources to be satisfactory. The review of the year and future developments are in the chairman's report on page 4.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

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.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2004

RISK MANAGEMENT

The Governors have examined the principal areas of the School's operations and considered the major risks faced in each of these areas. In the opinion of the Governors, the School has established resources and review systems which under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

RESERVES

Notes 10 and 11 splits the funds between those restricted as to their use, those designated for specific purposes and those available for the day to day requirements of the School. 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 £8,281,383. The School's buildings represent £8,728,629 and other fixed assets total £340,968. At present time the Governors have been focusing on the development of the School and capital expenditure of £2,178,542 was made in the year ending 31 August 2004.

With this in mind, 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.

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 2004 | 1 September 2003 |
| N A Robertson | 6 | 6 |
| A G Pollard | 6 | 6 |
| V McClure | 4 | 4 |
| W Armitage | 4 | 4 |
| Mrs K Martins | 4 | 4 |
| Mrs C Reeve (appointed 1 September 2003) | 4 | 4 |

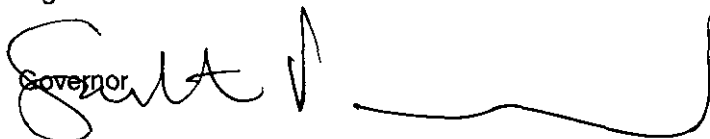
AUDITORS

Following the transfer of substantially all of the business of Horwath Clark Whitehill to a limited Liability partnership on 1 April 2004, Horwath Clark Whitehill will be resigning as auditors to the company at the conclusion of the Annual General Meeting.

The board has decided to recommend Horwath Clark Whitehill LLP for appointment as auditors of the company and, Horwath Clark Whitehill LLP having expressed their willingness to accept this appointment, a resolution appointing them will be submitted to the forthcoming Annual General Meeting.

This report was approved by the board on:

Signed on behalf of the board of Directors

 Governor

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2004

The Governors consider the financial results for the year to be satisfactory. The demand for places at the School continued to be good. In the Summer Term 2004 the total school roll was 614 pupils (609 in 2002/2003) of whom 357 were boys and 257 were girls with 106 boarders and 508 day pupils.

The year saw a small increase in pupil number (0.8%), and above inflation increases in income and costs of around 7%, a slightly smaller increase reflecting a smaller increase in staff costs, than in the last few years. The surplus for the year, after depreciation, is £372,596 equivalent to just over 6% of the School's income. There has, however, been some growth in our net incoming resources. It is essential for the School to have a reasonable operating surplus each year if it is to continue to invest appropriately so that it can provide properly for its pupils.

In the summer a new building to house Information Technology and English was completed. The development also resulted in the central area of the School being significantly improved. The opening of the new building meant that other changes in the teaching accommodation could be made and in the last few months of the year the programme to renovate and improve the science laboratories was completed.

The School's Head, Colin Reid, retired at the end of the year after 23 years' service. Colin Reid had made a great contribution to the School which developed successfully during his time. Numbers of pupils increased significantly and he oversaw a successful development of many of the School's facilities. However, he will be best remembered for his understanding of children, his kindness and the thoughtfulness that he brought to his role.

The Governors are conscious that the success of the School is due to the standards of excellence and dedication that are shown by all the staff of the School. The support of parents and the commitment of staff and pupils to the School ensure that it continues to thrive and maintain its unique quality. The Governors are grateful to all members of the School community for everything they have done to ensure that the School had another successful year.



Garth Pollard

Chairman of the Governors

7 December 2004

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED

We have audited the financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2004 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 historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the 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 under charity law, for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the Directors' and Chairman's Reports are not consistent with the financial statements, if 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 directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Directors' Report and Chairman's Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees 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 of the state of affairs of the charitable company as at 31 August 2004 and of its incoming resources and application of resources, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Howard Clal Mitchell LW

Chartered Accountants and Registered Auditors

Date 16/1/05

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 2004

INCOME AND EXPENDITURE

| | Notes | Unrestricted School Fund £ | Restricted Funds £ | 2004 £ | 2003 £ |
|--|-------|-------------------------------------|--------------------------|------------------|------------------|
| Incoming Resources | | | | | |
| Donations | | 6,604 | 536 | 7,140 | 4,758 |
| Covenanted donations | | 22,937 | - | 22,937 | 12,263 |
| Activities in furtherance of the charity's objects | | | | | |
| Fees receivable | 2 | 5,906,007 | - | 5,906,007 | 5,511,299 |
| Coaching charges | | 18,518 | - | 18,518 | 18,716 |
| Activities to generate funds | | | | | |
| Swimming pool income | | 116,878 | - | 116,878 | 124,458 |
| Bank and other interest | | 53,329 | - | 53,329 | 68,068 |
| Other income | | 15,835 | - | 15,835 | 15,342 |
| Total Incoming Resources | | <u>6,140,108</u> | <u>536</u> | <u>6,140,644</u> | <u>5,754,904</u> |
| Less: Cost of Generating Funds | | | | | |
| Swimming pool costs | | <u>125,772</u> | <u>-</u> | <u>125,772</u> | <u>122,533</u> |
| Net incoming resources available for charitable application | | <u>6,014,336</u> | <u>536</u> | <u>6,014,872</u> | <u>5,632,371</u> |
| Charitable Expenditure: | | | | | |
| Teaching costs | | 3,170,328 | - | 3,170,328 | 2,907,041 |
| Welfare | | 811,206 | - | 811,206 | 750,558 |
| Premises | | 1,034,614 | - | 1,034,614 | 972,554 |
| Support costs | | 613,768 | - | 613,768 | 627,688 |
| Management and administration of the Charity | | <u>12,360</u> | <u>-</u> | <u>12,360</u> | <u>14,043</u> |
| Total Charitable Expenditure | | <u>5,642,276</u> | <u>-</u> | <u>5,642,276</u> | <u>5,271,884</u> |
| Total Resources Expended | 3 | <u>5,768,048</u> | <u>-</u> | <u>5,768,048</u> | <u>5,394,417</u> |
| Net incoming resources before Transfers | | 372,060 | 536 | 372,596 | 360,487 |
| Transfer between funds | 10 | <u>536</u> | <u>(536)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds after transfers | | <u>372,596</u> | <u>-</u> | <u>372,596</u> | <u>360,487</u> |
| Balances brought forward at 1 September 2003 | | <u>7,908,787</u> | <u>-</u> | <u>7,908,787</u> | <u>7,548,300</u> |
| Balances carried forward at 31 August 2004 | | <u>8,281,383</u> | <u>-</u> | <u>8,281,383</u> | <u>7,908,787</u> |

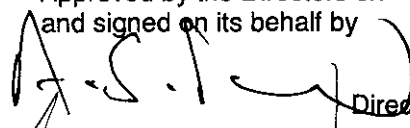

The notes on pages 9 to 15 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED

BALANCE SHEET AS AT 31 AUGUST 2004

| | Notes | 2004 £ | 2003 £ |
|--|-------|-----------|-----------|
| TANGIBLE FIXED ASSETS | | | |
| School buildings and equipment | 4 | 9,069,597 | 7,349,612 |
| INVESTMENTS | 5 | 7 | 7 |
| CURRENT ASSETS | | | |
| Debtors | 6 | 188,300 | 136,473 |
| Cash | | 293,644 | 1,693,041 |
| | | 481,944 | 1,829,514 |
| CREDITORS: amounts due within one year | 7 | (819,428) | (833,765) |
| NET CURRENT ASSETS | | (337,484) | 995,749 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 8,732,120 | 8,345,368 |
| CREDITORS: amounts due after more than one year | | | |
| Final term deposits | | (450,737) | (436,581) |
| TOTAL NET ASSETS | | 8,281,383 | 7,908,787 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 28 | 28 |
| UNRESTRICTED FUNDS | | | |
| General (Revaluation Reserve £715,681) | | 8,281,355 | 7,908,759 |
| | | 8,281,383 | 7,908,787 |

Approved by the Directors on
and signed on its behalf by


Directors

7/12/04

The notes on pages 9 to 15 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2004

| | £ | 2004 £ | 2003 £ |
|--|---|-----------------|-----------------|
| Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations | | | |
| Net incoming resources | | 372,596 | 360,487 |
| Depreciation and amortisation charges | | 458,557 | 371,871 |
| (Increase)/decrease in debtors | | (51,827) | 18,678 |
| Increase/(decrease) in creditors | | (181) | 79,528 |
| Interest received | | <u>(53,329)</u> | <u>(68,068)</u> |
| Net cash inflow from operations | | <u>725,816</u> | <u>762,496</u> |

CASH FLOW STATEMENT

| | | | |
|--|--------------------|--------------------|------------------|
| Net cash inflow from operations | | 725,816 | 762,496 |
| Returns on investments and servicing of finance | | | |
| Interest received | <u>53,329</u> | - | <u>68,068</u> |
| Net cash inflow from returns on investments and servicing of finance | | 53,329 | <u>68,068</u> |
| Capital expenditure and financial investment | | | |
| Payments to acquire tangible assets | <u>(2,178,542)</u> | - | <u>(548,912)</u> |
| Net cash outflow from capital expenditure and financial investment | | <u>(2,178,542)</u> | <u>(548,912)</u> |
| Increase/(decrease) in cash in the year | | <u>(1,399,397)</u> | <u>281,652</u> |

Analysis of Changes in Net Funds

| | 31 August 2003 £ | Cash Flows £ | 31 August 2004 £ |
|--------------------------|------------------------|--------------------|------------------------|
| Cash at bank and in hand | <u>1,693,041</u> | <u>(1,399,397)</u> | <u>293,644</u> |

The notes on pages 9 to 15 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2004

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 2000)".

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 14.

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 3 years and 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 110 years, as at 31 August 2004. 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.

c) Fees

Fees consist of charges for the School year ending 31 August 2004 less bursaries and allowances.

d) Expenditure

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent.

e) Teaching costs

Supplies of games equipment, books, stationery and sundry materials are written off to the general revenue account when the expenditure is incurred.

f) 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 2004

1. ACCOUNTING POLICIES (CONTINUED)

g) 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.

h) 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised by the charity for particular purposes.

| 2. FEES RECEIVABLE | 2004 | 2003 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Fees receivable consists of: | | |
| Gross fees | 6,580,431 | 6,098,937 |
| Less: Bursaries | (202,071) | (174,772) |
| Allowances | (472,353) | (412,866) |
| | <u>5,906,007</u> | <u>5,511,299</u> |

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

| 2004 | Staff costs | Other | Depreciation | Total |
|--|--------------------|------------------|---------------------|------------------|
| | £ | £ | £ | £ |
| Cost of Generating Funds | | | | |
| Swimming pool costs | <u>87,491</u> | <u>38,281</u> | <u>-</u> | <u>125,772</u> |
| Charitable Expenditure: | | | | |
| Education | 2,640,293 | 332,305 | 197,730 | 3,170,328 |
| Welfare | 571,178 | 229,016 | 11,012 | 811,206 |
| Premises | 420,070 | 370,476 | 244,068 | 1,034,614 |
| Support costs | 317,154 | 290,867 | 5,747 | 613,768 |
| | <u>3,948,695</u> | <u>1,222,664</u> | <u>458,557</u> | <u>5,629,916</u> |
| Other Expenditure: | | | | |
| Management and Administration of the Charity | - | 12,360 | - | 12,360 |
| | <u>4,036,186</u> | <u>1,235,024</u> | <u>458,557</u> | <u>5,642,276</u> |
| 2003 | | | | |
| Cost of Generating Funds | | | | |
| Swimming pool costs | <u>82,302</u> | <u>40,231</u> | <u>-</u> | <u>122,533</u> |
| Charitable Expenditure: | | | | |
| Education | 2,523,464 | 258,913 | 124,664 | 2,907,041 |
| Welfare | 507,283 | 232,790 | 10,485 | 750,558 |
| Premises | 376,793 | 364,995 | 230,766 | 972,554 |
| Support costs | 285,584 | 336,148 | 5,956 | 627,688 |
| Management and administration of the Charity | - | 14,043 | - | 14,043 |
| | <u>3,693,124</u> | <u>1,206,889</u> | <u>371,871</u> | <u>5,271,884</u> |

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2004

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

| | 2004 £ | 2003 £ |
|--|-------------------------|-------------------------|
| Expenditure includes the following: | | |
| Direct charitable expenditure includes: | | |
| Ex-Gratia and redundancy costs | <u>850</u> | <u>5,800</u> |
| Other expenditure includes: | | |
| Auditor's remuneration: | | |
| for audit | 11,926 | 11,720 |
| Operating lease rentals – other | 23,143 | 27,822 |
| Depreciation | 283,315 | 198,238 |
| Amortisation | <u>175,242</u> | <u>173,633</u> |
| Staff Costs | | |
| Wages and salaries | 3,365,250 | 3,233,472 |
| Social security costs | 289,548 | 263,689 |
| Pension contributions | <u>381,388</u> | <u>278,266</u> |
| | <u>4,036,186</u> | <u>3,775,427</u> |

The average number of employees in the year was 150 (2003 - 148) of which 65 (2003 - 65) 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 £50,000 were:

| | No. | No. |
|-------------------|----------|----------|
| £50,001 - £60,000 | 2 | 1 |
| £80,001 - £90,000 | <u>1</u> | <u>1</u> |

Pension contributions in respect of higher paid employees of £27,974 (2003: £14,942) 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 2004

4. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Long Leasehold Property £ | Motor vehicles £ | Fixtures fittings and Equipment £ | Computer Equipment £ | Total £ |
|------------------------|---------------------------|------------------------------------|------------------------|--|----------------------------|-------------------|
| Cost/valuation | | | | | | |
| 1 September 2003 | 162,050 | 8,914,773 | 63,731 | 1,180,856 | 560,644 | 10,882,054 |
| Additions | - | 1,812,001 | - | 236,433 | 130,108 | 2,178,542 |
| 31 August 2004 | 162,050 | 10,726,774 | 63,731 | 1,417,289 | 690,752 | 13,060,596 |
| Depreciation | | | | | | |
| 1 September 2003 | 36,933 | 1,948,020 | 63,731 | 938,668 | 545,090 | 3,532,442 |
| Charge for year | 2,841 | 172,401 | - | 137,653 | 145,662 | 458,557 |
| 31 August 2004 | 39,774 | 2,120,421 | 63,731 | 1,076,321 | 690,752 | 3,990,999 |
| Net book values | | | | | | |
| 31 August 2004 | 122,276 | 8,606,353 | - | 340,968 | - | 9,069,597 |
| <i>31 August 2003</i> | <i>125,117</i> | <i>6,966,753</i> | <i>-</i> | <i>242,188</i> | <i>15,554</i> | <i>7,349,612</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

| | 2004 £ | 2003 £ |
|--|-----------|-----------|
| Investment in subsidiary undertaking (note 14) | <u>7</u> | <u>7</u> |

6. DEBTORS

| | | |
|--|----------------|----------------|
| Fees | 32,109 | 47,669 |
| Amounts owed by subsidiary undertaking | 30,533 | 20,897 |
| Other debtors | 56,399 | 24,828 |
| Prepayments and accrued income | <u>69,259</u> | <u>43,079</u> |
| | 188,300 | 136,473 |

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2004

| | | |
|--|----------------|----------------|
| 7. CREDITORS: Due within one year | 2004 | 2003 |
| | £ | £ |
| Fees in Advance | 423,805 | 557,006 |
| Final term deposits | 70,743 | 53,357 |
| Trade creditors | 139,285 | 12,212 |
| Other taxes and social security | 80,195 | 76,862 |
| Accruals and deferred income | 73,084 | 99,791 |
| Other creditors | 32,316 | 34,537 |
| | 819,428 | 833,765 |

| | | | | |
|----------------------------|-------------|--------------|-------------|--------------|
| 8. SHARE CAPITAL | No. | Value | No. | Value |
| | 2004 | 2004 | 2003 | 2003 |
| 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>28</u> | <u>28</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. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

| | Fixed assets £ | Investments £ | Net current assets £ | Long term liabilities £ | Total £ |
|--------------------|----------------------|------------------|----------------------------|-------------------------------|------------------|
| Unrestricted funds | 9,069,597 | 7 | (337,512) | (450,737) | 8,281,355 |
| Share capital | - | - | 28 | - | 28 |
| | <u>9,069,597</u> | <u>7</u> | <u>(337,484)</u> | <u>(450,737)</u> | <u>8,281,383</u> |

10. RESTRICTED FUNDS

| | Balance 1 September | Incoming Resource s | Resources Expended | Transfers | Balance 31 August |
|----------------------------|------------------------|---------------------------|-----------------------|-----------|----------------------|
| | 2003 £ | £ | £ | £ | 2004 £ |
| 2000 Development Appeal | - | 536 | - | (536) | - |

The transfer of £536 from the restricted fund to the unrestricted fund represents the reimbursement of expenditure by the unrestricted fund for which restricted income was subsequently received.

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2004

11. UNRESTRICTED FUNDS

| | <i>Balance</i> 1 September 2003 | Incoming Resource | Resources Expended | Transfers | <i>Balance</i> 31 August 2004 |
|---------|---------------------------------------|----------------------|-----------------------|-----------|-------------------------------------|
| | £ | s £ | £ | £ | £ |
| General | <u>7,908,759</u> | 6,140,108 | (5,768,048) | 536 | <u>8,281,355</u> |

The unrestricted funds are retained as necessary to cover working capital requirements.

12. OPERATING LEASE COMMITMENTS

| | 2004 £ | 2003 £ |
|---|---------------|---------------|
| Annual commitments under operating leases expiring: | | |
| within one year | 224 | 537 |
| within two to five years | <u>36,583</u> | <u>29,304</u> |
| | <u>36,807</u> | <u>29,841</u> |

13. 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 Report by the Government Actuary (GA) covered the period 1 April 1996 to 31 March 2001. The valuation statement as at 31 March 2001 made in March 2003 revealed that the total liabilities of the Scheme (the estimated cost of past and future service benefits of existing members) amounted to £142,880 million.

In accordance with the Teachers' Pension (Amendment) Regulations 2002, the actuarial review assumed that the value of the scheme assets equalled the value of the scheme liabilities at 31 March 2001. The scheme assets at 31 March 2001 consisted of future contributions in respect of existing members valued at £40,870 million and a balance of £102,010 million in the Teachers' Pension Account being a notional investment.

The actuarial review assumed that the real rate of return on the notional investment is 3.5% in excess of price increases and 2% in excess of general earnings increases, therefore assuming a rate of real earnings growth of 1.5%. The assumed long-term gross rate of return is 7%.

Following this report the standard contribution rate has been raised from 14.35% to 19.5% from 1 April 2003. 6% is to be paid by the teachers and the remaining 13.5% borne by the school.

The superannuation charge represents contributions payable to the Scheme for the year ended 31 August 2004 of £381,388 (2003: £278,266).

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2004

14. 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 2004 which are not consolidated with the School financial statements, showed the following position:

| BALANCE SHEET | 2004 | 2003 |
|---|-----------------|-----------------|
| | £ | £ |
| CURRENT ASSETS | | |
| Debtors | 33,589 | 23,311 |
| Cash | 1,666 | 2,309 |
| | <u>35,255</u> | <u>25,620</u> |
| CREDITORS: amounts falling due within one year | <u>(35,248)</u> | <u>(25,613)</u> |
| NET CURRENT ASSETS | <u>7</u> | <u>7</u> |
| TOTAL NET ASSETS | <u>7</u> | <u>7</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 7 | 7 |
| Profit and loss account (below) | <u>-</u> | <u>-</u> |
| | <u>7</u> | <u>7</u> |
| PROFIT AND LOSS ACCOUNT | | |
| Turnover | 33,591 | 23,318 |
| Operating Costs | <u>(10,654)</u> | <u>(11,055)</u> |
| Profit from continuing activities | 22,937 | 12,263 |
| Covenanted donation gross | <u>(22,937)</u> | <u>(12,263)</u> |
| Balance brought forward | <u>-</u> | <u>-</u> |
| Balance carried forward | <u>-</u> | <u>-</u> |

15. RELATED PARTY TRANSACTIONS

Included within 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.