

**ST CHRISTOPHER SCHOOL  
(LETCHWORTH) LIMITED  
DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2003**



**Horwath Clark Whitehill**

Horwath Clark Whitehill  
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**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**YEAR ENDED 31 AUGUST 2003**

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**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
B G Goodall	(resigned 30 November 2002)
A G Pollard	Chairman
Mrs M Clarke	(resigned 30 June 2003)
V McClure	
W Armitage	(appointed 30 November 2002)
Mrs K Martins	(appointed 1 January 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  
25 New Street Square  
London  
EC4A 3LN

**PRINCIPAL BANKERS**

Barclays Bank plc  
Station Place  
Letchworth  
Hertfordshire

**PRINCIPAL SOLICITORS**

Brignalls, Balderston and Warren  
Broadway Chambers  
Letchworth  
Hertfordshire

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

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The Directors present their report, together with the audited financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2003.

**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 (LETCHEWORTH) LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

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**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 £7,908,787. The School's buildings represent £7,091,870 and other fixed assets total £257,742. At present time the Governors have been focusing on the development of the School and capital expenditure of £548,912 was made in the year ending 31 August 2003.

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 2003	1 September 2002
N A Robertson	6	8
B G Goodall (resigned 30 November 2002)	-	4
A G Pollard	6	8
Mrs M Clarke (resigned 30 June 2003)	4	4
V McClure	4	4
W Armitage (appointed 30 November 2002)	4	-
Mrs K Martins (appointed 1 January 2003)	4	-

**AUDITORS**

A resolution to re-appoint Horwath Clark Whitehill will be made in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on: 7 December 2003

Signed on behalf of the board of Directors

  
Governor

**ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED**  
**CHAIRMAN'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

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The Governors consider the financial results for the year to be satisfactory. In spite of the country's less strong economic performance demand for places at the School continued to be very good. For the Summer Term 2003 the total school roll was 609 pupils (596 in 2001/2002) of whom 358 were boys and 251 were girls with 108 boarders and 501 day pupils.

The trends over recent years continued with the number of pupils in the School increasing by about 2.2%, income by over 9% and costs by just over 12%, principally due to a further significant increase in staff costs which account for over 70% of the School's overall costs. In view of the general economic situation the full cost increase was not reflected in the fee increase, which was only 7% and this meant that there was a reduction in the operating surplus for the year. The surplus for the year, after depreciation, is £360,487 equivalent to just over 6% of the School's income. There was, however, some growth in our net incoming resources and a net increase in cash of just over £280,000. 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.

The Governors at the end of the year decided to continue their policy of developing and improving the School site by entering into a building contract for a new building which will house Information Technology and English. The building will, in accordance with the School's commitment to the environment be exceedingly energy efficient and have a "green roof". The development will also enable a central area of the School to be redeveloped attractively.

The Governors are conscious that the success of the School is due to the standards of excellence and dedication that are shown by the Head and the staff of the School. The support of parents and the commitment of pupils to the School and the support that they, and the staff, give to it ensures 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 contribute to giving the School another successful year.



Garth Pollard  
Chairman of the Governors  
20 November 2003

**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 2003 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 2003 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 Clark Mitchell*

Chartered Accountants and Registered Auditors

Date 7/12/03

25 New Street Square  
London  
EC4A 3LN

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

**INCOME AND EXPENDITURE**

	Notes	Unrestricted School Fund £	Restricted Funds £	2003 £	2002 £
<b>Incoming Resources</b>					
Donations		2,151	2,607	4,758	16,417
Covenanted donations		12,263	-	12,263	25,432
<b>Activities in furtherance of the charity's objects</b>					
Fees receivable	2	5,511,299	-	5,511,299	5,001,681
Coaching charges		18,716	-	18,716	17,944
<b>Activities to generate funds</b>					
Swimming pool income		124,458	-	124,458	113,079
Bank and other interest		68,068	-	68,068	53,828
Other income		15,342	-	15,342	11,432
<b>Total Incoming Resources</b>		<b>5,752,297</b>	<b>2,607</b>	<b>5,754,904</b>	<b>5,239,813</b>
<b>Less: Cost of Generating Funds</b>					
Swimming pool costs		122,533	-	122,533	114,697
<b>Net incoming resources available for charitable application</b>		<b>5,629,764</b>	<b>2,607</b>	<b>5,632,371</b>	<b>5,125,116</b>
<b>Charitable Expenditure:</b>					
Teaching costs		2,907,041	-	2,907,041	2,635,732
Welfare		750,558	-	750,558	680,625
Premises		972,554	-	972,554	818,921
Support costs		627,688	-	627,688	541,416
Management and administration of the Charity		14,043	-	14,043	11,572
<b>Total Charitable Expenditure</b>		<b>5,271,884</b>	<b>-</b>	<b>5,271,884</b>	<b>4,688,266</b>
<b>Total Resources Expended</b>	3	<b>5,394,417</b>	<b>-</b>	<b>5,394,417</b>	<b>4,802,963</b>
Net incoming resources before Transfers		357,880	2,607	360,487	436,850
Transfer between funds	10	2,607	(2,607)	-	-
<b>Net movement in funds after transfers</b>		<b>360,487</b>	<b>-</b>	<b>360,487</b>	<b>436,850</b>
Balances brought forward at 1 September 2002		7,548,300	-	7,548,300	7,111,450
<b>Balances carried forward at 31 August 2003</b>		<b>7,908,787</b>	<b>-</b>	<b>7,908,787</b>	<b>7,548,300</b>

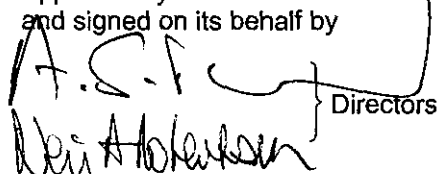
The notes on pages 9 to 15 form part of these accounts.

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2003**

	Notes	2003 £	2002 £
<b>TANGIBLE FIXED ASSETS</b>			
School buildings and equipment	4	7,349,612	7,172,571
<b>INVESTMENTS</b>	5	7	7
<b>CURRENT ASSETS</b>			
Debtors	6	136,473	155,151
Cash		<u>1,693,041</u>	<u>1,411,389</u>
		1,829,514	1,566,540
<b>CREDITORS: amounts due within one year</b>	7	<u>(833,765)</u>	<u>(808,960)</u>
<b>NET CURRENT ASSETS</b>		<u>995,749</u>	<u>757,580</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,345,368	7,930,158
<b>CREDITORS: amounts due after more than one year</b>			
Final term deposits		<u>(436,581)</u>	<u>(381,858)</u>
<b>TOTAL NET ASSETS</b>		<u>7,908,787</u>	<u>7,548,300</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	28	28
<b>UNRESTRICTED FUNDS</b>	11	<u>7,908,759</u>	<u>7,548,272</u>
		<u>7,908,787</u>	<u>7,548,300</u>

Approved by the Directors on  
and signed on its behalf by

7 December 2003

 Directors

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 2003**

	2003	2002
	£	£
<b>Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations</b>		
Net incoming resources	360,487	436,850
Depreciation and amortisation charges	371,871	317,265
Decrease in debtors	18,678	52,594
Increase in creditors	79,528	59,158
Interest received	<u>(68,068)</u>	<u>(53,828)</u>
Net cash inflow from operations	<u>762,496</u>	<u>812,039</u>

**CASH FLOW STATEMENT**

Net cash inflow from operations	762,496	812,039
Returns on investments and servicing of finance		
Interest received	<u>68,068</u>	<u>-</u>
Net cash inflow from returns on investments and servicing of finance	68,068	53,828
Capital expenditure and financial investment		
Payments to acquire tangible assets	<u>(548,912)</u>	<u>(294,179)</u>
Net cash outflow from capital expenditure and financial investment	<u>(548,912)</u>	<u>(294,179)</u>
Increase in cash in the year	<u>281,652</u>	<u>571,688</u>

**Analysis of Changes in Net Funds**

	31 August 2002 £	Cash Flows £	31 August 2003 £
Cash at bank and in hand	<u>1,411,389</u>	<u>281,652</u>	<u>1,693,041</u>

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

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

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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 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 15.

**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 2003. 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 2003 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 (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

**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**

	2003 £	2002 £
Fees receivable consists of:		
Gross fees	6,098,937	5,537,242
Less: Bursaries	(174,772)	(168,469)
Allowances	(412,866)	(367,092)
	<u>5,511,299</u>	<u>5,001,681</u>

**3. ANALYSIS OF TOTAL RESOURCES EXPENDED**

2003	Staff costs £	Other £	Depreciation £	Total £
<b>Cost of Generating Funds</b>				
Swimming pool costs	<u>82,302</u>	<u>40,231</u>	<u>-</u>	<u>122,533</u>
<b>Charitable Expenditure:</b>				
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>
<b>2002</b>				
<b>Cost of Generating Funds</b>				
Swimming pool costs	<u>77,730</u>	<u>36,967</u>	<u>-</u>	<u>114,697</u>
<b>Charitable Expenditure:</b>				
Education	2,311,079	232,671	91,982	2,635,732
Welfare	469,380	203,479	7,766	680,625
Premises	341,241	265,352	212,328	818,921
Support costs	281,215	255,012	5,189	541,416
Management and administration of the Charity	-	11,572	-	11,572
	<u>3,402,915</u>	<u>968,086</u>	<u>317,265</u>	<u>4,688,266</u>

**ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

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

	2003 £	2002 £
<b>Expenditure includes the following:</b>		
Direct charitable expenditure includes:		
Ex-Gratia and redundancy costs	<u>5,800</u>	<u>-</u>
Other expenditure includes:		
Auditor's remuneration:		
for audit	11,720	9,811
Operating lease rentals – other	27,822	18,783
Depreciation	198,238	143,781
Amortisation	<u>173,633</u>	<u>173,484</u>
<b>Staff Costs</b>		
Wages and salaries	3,233,472	3,028,885
Social security costs	263,689	236,915
Pension contributions	<u>278,266</u>	<u>214,845</u>
	<u><b>3,775,427</b></u>	<u><b>3,480,645</b></u>

The average number of employees in the year was 148 (2002 - 144) of which 65 (2002 - 64) 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	1	-
£80,001 - £90,000	<u>1</u>	<u>1</u>

Pension contributions in respect of higher paid employees of £14,942 (2002: £11,422) 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 2003**

**4. TANGIBLE FIXED ASSETS**

	Freehold Property £	Long Leasehold Property £	Motor vehicles £	Fixtures fittings and Equipment £	Computer Equipment £	Total £
Cost/valuation						
1 September 2002	162,050	8,581,995	63,731	1,033,023	492,343	10,333,142
Additions	-	332,778	-	147,833	68,301	548,912
<b>31 August 2003</b>	<b>162,050</b>	<b>8,914,773</b>	<b>63,731</b>	<b>1,180,856</b>	<b>560,644</b>	<b>10,882,054</b>
Depreciation						
1 September 2002	34,092	1,777,228	63,731	845,571	439,949	3,160,571
Charge for year	2,841	170,792	-	93,097	105,141	371,871
<b>31 August 2003</b>	<b>36,933</b>	<b>1,948,020</b>	<b>63,731</b>	<b>938,668</b>	<b>545,090</b>	<b>3,532,442</b>
<b>Net book values</b>						
<b>31 August 2003</b>	<b>125,117</b>	<b>6,966,753</b>	<b>-</b>	<b>242,188</b>	<b>15,554</b>	<b>7,349,612</b>
<i>31 August 2002</i>	<i>127,958</i>	<i>6,804,767</i>	<i>-</i>	<i>187,452</i>	<i>52,394</i>	<i>7,172,571</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**

	2003 £	2002 £
Investment in subsidiary undertaking (note 15)	<u>7</u>	<u>7</u>

**6. DEBTORS**

Fees	47,669	30,853
Amounts owed by subsidiary undertaking	20,897	35,432
Other debtors	24,828	33,884
Prepayments and accrued income	43,079	54,982
	<u>136,473</u>	<u>155,151</u>

**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

7. CREDITORS: Due within one year	2003 £	2002 £
Fees in Advance	557,006	653,741
Final term deposits	53,357	51,096
Trade creditors	12,212	-
Other taxes and social security	76,862	-
Accruals and deferred income	99,791	85,525
Other creditors	34,537	18,598
	<u>833,765</u>	<u>808,960</u>

8. SHARE CAPITAL	No. 2003	Value 2003	No. 2002	Value 2002
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	7,349,612	7	1,049,078	(489,938)	7,908,759
Share capital	-	-	28	-	28
	<u>7,349,612</u>	<u>7</u>	<u>1,049,106</u>	<u>(489,938)</u>	<u>7,908,787</u>

**10. RESTRICTED FUNDS**

	Balance 1 September 2002 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31 August 2003 £
2000 Development Appeal	-	2,607	-	(2,607)	-

The transfer of £2,607 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 2003**

**11. UNRESTRICTED FUNDS**

	<i>Balance</i> 1 September 2002 £	Incoming Resources £	Resources Expended £	Transfers £	<i>Balance</i> 31 August 2003 £
General	<u>7,548,272</u>	<u>5,752,297</u>	<u>(5,394,417)</u>	<u>2,607</u>	<u>7,908,759</u>

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

**12. OPERATING LEASE COMMITMENTS**

	2003 £	2002 £
Annual commitments under operating leases expiring:		
within one year	537	555
within two to five years	<u>29,304</u>	<u>24,390</u>
	<u>29,841</u>	<u>24,945</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 2003 of £278,266 (2002: £214 845).

**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2003**

**14. SUBSEQUENT EVENTS**

On 2 September 2003 the School entered into a contract to build a new information technology building at a cost of £1,489,705 plus VAT.

**15. 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 2003 which are not consolidated with the School financial statements, showed the following position:

<b>BALANCE SHEET</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>		
Debtors	23,311	36,806
Cash	2,309	2,936
	<u>25,620</u>	<u>39,742</u>
<b>CREDITORS: amounts falling due within one year</b>	<u>(25,613)</u>	<u>(39,735)</u>
<b>NET CURRENT ASSETS</b>	<u>7</u>	<u>7</u>
<b>TOTAL NET ASSETS</b>	<u>7</u>	<u>7</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	7	7
Profit and loss account (below)	-	-
	<u>7</u>	<u>7</u>
<b>PROFIT AND LOSS ACCOUNT</b>		
Turnover	23,318	36,945
Operating Costs	(11,055)	(11,513)
	<u>12,263</u>	<u>25,432</u>
Profit from continuing activities	12,263	25,432
Covenanted donation gross	(12,263)	(25,432)
Balance brought forward	-	-
	<u>-</u>	<u>-</u>
Balance carried forward	-	-

**16. 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.