

**ST CHRISTOPHER SCHOOL  
(LETCHWORTH) LIMITED  
DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2002**



**HORWATH  
CLARK WHITEHILL**

*Chartered Accountants*

A member of Horwath International

25 New Street Square London EC4A 3LN United Kingdom

Telephone: +44 (0)20 7353 1577

Facsimile: +44 (0)20 7583 1720

[www.horwathcw.com](http://www.horwathcw.com)

DX 0014 London Chancery Lane



**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**YEAR ENDED 31 AUGUST 2002**

---

**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:

D K Baker	(resigned 26 May 2002)
N A Robertson	
B G Goodall	
A G Pollard	
Mrs M Clarke	
Mr V McClure	(appointed 16 March 2002)

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 2002**

---

The Directors present their report, together with the audited financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2002.

**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 2002**

---

**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 £7,548,272. The School's buildings represent £6,932,725 and other fixed assets total £239,846. At present time the Governors have been focusing on the development of the School and capital expenditure of £294,179 was made in the year ending 31 August 2002.

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 2002	1 September 2001
D K Baker (resigned 26 May 2002)	-	4
N A Robertson	8	4
B G Goodall	4	4
A G Pollard	8	4
Mrs M Clarke	4	4
Mr V McClure	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:

Signed on behalf of the board of Directors

Governor



**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**CHAIRMAN'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

---

The Governors consider the results for the year to be good. Demand for the educational experience that the School offers continues to be very strong. The number of pupils in the School increased by about 3.5% on the previous year and income was up nearly 9%. However, the costs of running the School also increased significantly, by just over 10% principally caused by a further significant rise in teachers' salaries which had, in common with other independent schools necessitated a rise in fees ranging from 7.0 to 7.7%. The overall effect was that there was no real increase in the operating surplus for the year. There was 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.

For the Summer Term 2002 the total school roll was 596 pupils (576 in 2000/2001) of which 353 were boys and 243 were girls with 106 boarders and 490 day pupils.

Pupil numbers for the year starting in September 2002 show a continued increase on the previous year, with a modest recovery in the number of boarders. The demand for day places for September 2002 was very high, at both Junior and Senior level. The Governors plan to invest in the continued development of St. Christopher and are now accumulating resources so as to be able to improve the teaching accommodation in the Senior School with the addition of a further new building.

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.

A handwritten signature in black ink, appearing to read 'A.S.P.' followed by a long, sweeping horizontal line that curves upwards at the end.

Garth Pollard  
Chairman of the Governors

**INDEPENDENT AUDITORS REPORT  
TO THE SHAREHOLDERS OF  
ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**

We have audited the financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2002 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.

**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 2002 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.

*Horwath Clark Whitehill*  
Chartered Accountants and Registered Auditors

Date *17/12/02*

25 New Street Square  
London  
EC4A 3LN

**HORWATH  
CLARK WHITEHILL**

*Chartered Accountants*

A member of Horwath International

25 New Street Square  
London  
EC4A 3LN  
United Kingdom

Telephone: +44 (0)20 7353 1577

Facsimile: +44 (0)20 7583 1720

www.horwathcw.com

DX 0014 London Chancery Lane



**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

**INCOME AND EXPENDITURE**

	Notes	Unrestricted School Fund £	Restricted Funds £	2002 £	2001 £
<b>Incoming Resources</b>					
Donations		-	16,417	16,417	24,722
Covenanted donations		25,432	-	25,432	26,121
<b>Activities in furtherance of the charity's objects</b>					
Fees receivable	2	5,001,681	-	5,001,681	4,557,847
Coaching charges		17,944	-	17,944	17,807
<b>Activities to generate funds</b>					
Swimming pool income		113,079	-	113,079	112,562
Bank and other interest		53,828	-	53,828	40,802
Other income		11,432	-	11,432	21,497
<b>Total Incoming Resources</b>		<u>5,223,396</u>	<u>16,417</u>	<u>5,239,813</u>	<u>4,801,358</u>
<b>Less: Cost of Generating Funds</b>					
Swimming pool costs		<u>114,697</u>	<u>-</u>	<u>114,697</u>	<u>98,128</u>
<b>Net incoming resources available for charitable application</b>		<u>5,108,699</u>	<u>16,417</u>	<u>5,125,116</u>	<u>4,703,230</u>
<b>Charitable Expenditure:</b>					
Teaching costs		2,635,732	-	2,635,732	2,322,785
Welfare		680,625	-	680,625	605,474
Premises		818,921	-	818,921	774,213
Support costs		541,416	-	541,416	553,827
Management and administration of the Charity		<u>11,572</u>	<u>-</u>	<u>11,572</u>	<u>9,176</u>
<b>Total Charitable Expenditure</b>		<u>4,688,266</u>	<u>-</u>	<u>4,688,266</u>	<u>4,265,475</u>
<b>Total Resources Expended</b>	3	<u>4,802,963</u>	<u>-</u>	<u>4,802,963</u>	<u>4,363,603</u>
Net incoming resources before Transfers		420,433	16,417	436,850	437,755
Transfer between funds	10	<u>16,417</u>	<u>(16,417)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds after transfers</b>		<u>436,850</u>	<u>-</u>	<u>436,850</u>	<u>437,755</u>
Balances brought forward at 1 September 2001		<u>7,111,450</u>	<u>-</u>	<u>7,111,450</u>	<u>6,673,695</u>
<b>Balances carried forward at 31 August 2002</b>		<u>7,548,300</u>	<u>-</u>	<u>7,548,300</u>	<u>7,111,450</u>

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

# ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2002

	Notes	2002 £	2001 £
<b>TANGIBLE FIXED ASSETS</b>			
School buildings and equipment	4	7,172,571	7,195,657
<b>INVESTMENTS</b>	5	7	7
<b>CURRENT ASSETS</b>			
Debtors	6	155,151	207,745
Cash		1,411,389	839,701
		1,566,540	1,047,446
<b>CREDITORS: amounts due within one year</b>	7	(808,960)	(788,633)
<b>NET CURRENT ASSETS</b>		757,580	258,813
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,930,158	7,454,477
<b>CREDITORS: amounts due after more than one year</b>			
Final term deposits		(381,858)	(343,027)
<b>TOTAL NET ASSETS</b>		7,548,300	7,111,450
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	28	28
<b>UNRESTRICTED FUNDS</b>	11	7,548,272	7,111,422
		7,548,300	7,111,450

Approved by the Directors on  
and signed on its behalf by

*A.S.I.*  
*Ken Andersen*

Directors

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



**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

	2002	2001
	£	£
<b>Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations</b>		
Net incoming resources	436,850	437,755
Depreciation and amortisation charges	317,265	300,017
Decrease in debtors	52,594	77,777
Increase in creditors	59,158	93,387
Net interest received	<u>(53,828)</u>	<u>(40,728)</u>
Net cash inflow from operations	<u>812,039</u>	<u>868,208</u>

**CASH FLOW STATEMENT**

Net cash inflow from operations	812,039	868,208
<b>Returns on investments and servicing of finance</b>		
Interest received	53,828	40,802
Interest paid	<u>-</u>	<u>(74)</u>
Net cash inflow from returns on investments and servicing of finance	53,828	40,728
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	<u>(294,179)</u>	<u>(329,995)</u>
<b>Increase in cash in the year</b>	<u>571,688</u>	<u>578,941</u>

**Analysis of Changes in Net Funds**

	31 August 2001 £	Cash Flows £	31 August 2002 £
Cash at bank and in hand	<u>839,701</u>	<u>571,688</u>	<u>1,411,389</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 2002**

---

**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 principals 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
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 111 years, as at 31 August 2002. 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 2002 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 2002**

**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.

<b>2. FEES RECEIVABLE</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Fees receivable consists of:		
Gross fees	<b>5,537,242</b>	4,969,318
Less: Bursaries	<b>(168,469)</b>	(116,501)
Allowances	<b>(367,092)</b>	(294,970)
	<b><u>5,001,681</u></b>	<u>4,557,847</u>

**3. ANALYSIS OF TOTAL RESOURCES EXPENDED**

<b>2002</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>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	<u>-</u>	<u>11,572</u>	<u>-</u>	<u>11,572</u>
	<u><b>3,402,915</b></u>	<u><b>968,086</b></u>	<u><b>317,265</b></u>	<u><b>4,688,266</b></u>
<b>2001</b>				
<b>Cost of Generating Funds</b>				
Swimming pool costs	<u>66,990</u>	<u>31,138</u>	<u>-</u>	<u>98,128</u>
<b>Charitable Expenditure:</b>				
Education	2,008,389	225,100	89,296	2,322,785
Welfare	396,553	201,719	7,202	605,474
Premises	297,005	278,040	199,168	774,213
Support costs	284,864	264,612	4,351	553,827
Management and administration of the Charity	<u>-</u>	<u>9,176</u>	<u>-</u>	<u>9,176</u>
	<u><b>2,986,811</b></u>	<u><b>978,647</b></u>	<u><b>300,017</b></u>	<u><b>4,265,475</b></u>

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

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

	2002 £	2001 £
<b>Expenditure includes the following:</b>		
Direct charitable expenditure includes:		
Ex-Gratia and redundancy costs	-	5,700
Other expenditure includes:		
Auditor's remuneration:		
for audit	9,811	8,519
Operating lease rentals – other	18,783	13,757
Depreciation	143,781	129,656
Amortisation	173,484	170,361
<b>Staff Costs</b>		
Wages and salaries	3,028,885	2,665,875
Social security costs	236,915	209,914
Pension contributions	214,845	178,012
	<b>3,480,645</b>	<b>3,053,801</b>

The average number of employees in the year was 144 (2001 - 136) of which 64 (2001 - 61) 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.
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

**4. TANGIBLE FIXED ASSETS**

	Freehold Property £	Long Leasehold Property £	Motor vehicles £	Fixtures fittings and equipment £	Computer Equipment £	Total £
Cost/valuation						
1 September 2001	162,050	8,449,950	63,731	917,774	445,458	10,038,963
Additions	-	132,045	-	115,249	46,885	294,179
<b>31 August 2002</b>	<b>162,050</b>	<b>8,581,995</b>	<b>63,731</b>	<b>1,033,023</b>	<b>492,343</b>	<b>10,333,142</b>
Depreciation						
1 September 2001	31,251	1,606,585	54,342	773,509	377,619	2,843,306
Charge for year	2,841	170,643	9,389	72,062	62,330	317,265
<b>31 August 2002</b>	<b>34,092</b>	<b>1,777,228</b>	<b>63,731</b>	<b>845,571</b>	<b>439,949</b>	<b>3,160,571</b>
<b>Net book values</b>						
<b>31 August 2002</b>	<b>127,958</b>	<b>6,804,767</b>	<b>-</b>	<b>187,452</b>	<b>52,394</b>	<b>7,172,571</b>
<i>31 August 2001</i>	<i>130,799</i>	<i>6,843,365</i>	<i>9,389</i>	<i>144,265</i>	<i>67,839</i>	<i>7,195,657</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**

	2002 £	2001 £
Investment in subsidiary undertaking (note 15)	<u>7</u>	<u>7</u>

**6. DEBTORS**

Fees	30,853	56,572
Amounts owed by subsidiary undertaking	-	39,853
Other debtors	33,884	23,467
Prepayments and accrued income	<u>90,414</u>	<u>87,853</u>
	<b>155,151</b>	<b>207,745</b>

**ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

<b>7. CREDITORS: Due within one year</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Fees in Advance	653,741	562,068
Final term deposits	51,096	59,755
Trade creditors	-	10,958
Other taxes and social security	-	55,008
Accruals and deferred income	85,525	85,195
Other creditors	18,598	15,649
	<b>808,960</b>	<b>788,633</b>

<b>8. SHARE CAPITAL</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
	<b>2002</b>	<b>2002</b>	<b>2001</b>	<b>2001</b>
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	7,172,571	7	757,552	(381,858)	7,548,272
Share capital	-	-	28	-	28
	<u>7,172,571</u>	<u>7</u>	<u>757,580</u>	<u>(381,858)</u>	<u>7,548,300</u>

**10. RESTRICTED FUNDS**

	Balance 1 September 2001 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31 August 2002 £
2000 Development Appeal	-	16,417	-	(16,417)	-

The transfer of £16,417 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 (LETCHWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

**11. UNRESTRICTED FUNDS**

	<i>Balance</i> 1 September 2001 £	Incoming Resources £	Resources Expended £	Transfers £	<b>Balance</b> 31 August 2002 £
General	<u>7,111,422</u>	<u>5,223,396</u>	<u>(4,802,963)</u>	<u>16,417</u>	<u><b>7,548,272</b></u>

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

**12. OPERATING LEASE COMMITMENTS**

	2002 £	2001 £
Annual commitments under operating leases expiring:		
within one year	555	-
within two to five years	<u>24,390</u>	<u>17,647</u>
	<u><b>24,945</b></u>	<u><b>17,647</b></u>

**13. PENSION COSTS**

The School participates in a multi-employer pension scheme, the Governments, Teachers' Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers' Pension. As a result it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School.

The last Report to the Government Actuary (GA) covered the period 1 April 1991 to 31 March 1996. The valuation statement as at 31 March 1996 showed a balance of liability to be met by employers' supplementary contributions of £3,960 million. The G A concluded, in his supplementary report of March 2000 specifying an alternative pattern of employers' supplementary contributions, that the balance of liability could be eliminated by supplementary contributions of 0.4% of pay from 1 April 2000 to 31 March 2002, and of 1.35% from 1 April 2002 to 31 March 2004.

Following this report normal contributions have been raised to 14.35%, 6% to be paid by the teachers and 8.35% by the employer. The new normal rate operated from 1 April 2002. The financial assumptions in the G A report were that prices would increase by 5% and salaries by 6.5%, and the rate of return on investments would be 8.5%. During the year the School contributed £214,845 to the Scheme. (2001: £178,012).

**ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2002**

**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 2002 which are not consolidated with the School financial statements, showed the following position:

<b>BALANCE SHEET</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>		
Debtors	<b>36,806</b>	36,337
Cash	<b>2,936</b>	32,663
	<b>39,742</b>	69,000
<b>CREDITORS:</b> amounts falling due within one year	<b>(39,735)</b>	(68,993)
<b>NET CURRENT ASSETS</b>	<b>7</b>	7
<b>TOTAL NET ASSETS</b>	<b>7</b>	7
<b>CAPITAL AND RESERVES</b>		
Called up share capital	<b>7</b>	7
Profit and loss account (below)	<b>-</b>	-
	<b>7</b>	7
<b>PROFIT AND LOSS ACCOUNT</b>		
Turnover	<b>36,945</b>	37,359
Operating Costs	<b>(11,513)</b>	(11,238)
Profit from continuing activities	<b>25,432</b>	26,121
Covenanted donation gross	<b>(25,432)</b>	(26,121)
Balance brought forward	<b>-</b>	-
Balance carried forward	<b>-</b>	-

**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.