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**ST CHRISTOPHER SCHOOL
(LETCWORTH) LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000**

**HORWATH
CLARK WHITEHILL**

Chartered Accountants

A member of Horwath International

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DX 0014 London Chancery Lane



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ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
YEAR ENDED 31 AUGUST 2000

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
Miss A Jacob (Resigned)
N A Robertson
Mrs M E Marsh
B G Goodall
Mrs A Priestley (Resigned)
M K F Cockburn
A G Pollard
Mrs M Clarke

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

Balderston and Warren
Broadway Chambers
Letchworth
Hertfordshire

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2000

The Directors present their report, together with the audited financial statements of St Christopher School (Letchworth) Limited for the year ended 31 August 2000.

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 2000

RESOURCES

Note 9 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.

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 2000 1 September 1999

D K Baker	4	4
N A Robertson	4	4
Mrs M E Marsh	4	4
B G Goodall	4	4
K F Cockburn	4	4
A G Pollard	4	4
Mrs M Clarke	4	-

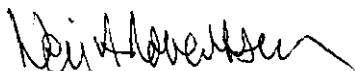
AUDITORS

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: *20 April 2001*

Signed on behalf of the board of Directors

Governor



ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2000

The Governors considered the results for the year to be very satisfactory. There was an increase in numbers over the previous year with a corresponding increase in incoming resources. There was a significant increase in resources expended, largely because of the appointment of additional staff. As a result there was a reduction in our net incoming resources, which nevertheless remain very healthy.

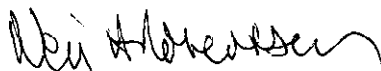
For the Summer Term the total school roll was 550 pupils (533 in 1998/99), of which 328 were boys and 222 were girls, with 117 boarders and 433 day pupils.

The fine new 25m swimming pool was opened in November 1999, having been built partly with funds raised by an appeal to parents and Old Scholars. It is already a much appreciated facility.

As part of a restructuring to enable the School to admit more day pupils at a young age, the Governors agreed to use accumulated resources to build a major extension to the Junior School, together with a drama studio for the School as a whole. The new building was ready for use in September 2000, enabling the addition of two classes to the Junior School, providing immediate additional income and the prospect of further strengthening the flow of day pupils continuing into the Senior School.

The Governors are pleased to have achieved these recent major improvements without needing to borrow. Pupil numbers for the year starting in September 2000 show a marked increase on the previous year and the demand for day places for September 2001 is very high. The Governors are confident that their development plan provides a framework for St Christopher to continue to flourish.

The Governors would like to thank the Head and his staff for another excellent year.



**HORWATH
CLARK WHITEHILL**

Chartered Accountants

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London

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



We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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 the information in the financial statements.

Unqualified Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 August 2000 and of the surplus 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

20 April 2001

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2000

	Notes	Unrestricted School Fund £	Restricted Funds £	2000 £	1999 £
INCOMING RESOURCES					
Fees receivable	2	4,128,388	-	4,128,388	3,903,185
Donations and other income		77,007	15,944	92,951	73,491
Covenanted donation		31,994	-	31,994	28,911
Bank and other interest		53,768	-	53,768	88,246
Total Incoming Resources		<u>4,291,157</u>	<u>15,944</u>	<u>4,307,101</u>	<u>4,093,833</u>
RESOURCES EXPENDED					
Direct Charitable Expenditure:					
Teaching costs		2,110,241	-	2,110,241	1,945,888
Welfare		587,176	-	587,176	625,955
Premises		782,418	-	782,418	595,175
Support costs		501,347	-	501,347	508,837
		<u>3,981,182</u>	<u>-</u>	<u>3,981,182</u>	<u>3,675,855</u>
Other Expenditure:					
Interest		279	-	279	875
Management and administration of the Charity		14,809	184	14,993	8,699
		<u>15,088</u>	<u>184</u>	<u>15,272</u>	<u>9,574</u>
Total Resources Expended	3	<u>3,996,270</u>	<u>184</u>	<u>3,996,454</u>	<u>3,685,429</u>
Net Incoming Resources before transfer		294,887	15,760	310,647	408,404
Transfers between funds		96,551	(96,551)	-	-
Realised surplus on investment		-	-	-	26
Net Movement in funds after transfers		<u>391,438</u>	<u>(80,791)</u>	<u>310,647</u>	<u>408,430</u>
Balances brought forward at 1 September 1999		<u>6,282,257</u>	<u>80,791</u>	<u>6,363,048</u>	<u>5,954,618</u>
Balances carried forward at 31 August 2000		<u>6,673,695</u>	<u>-</u>	<u>6,673,695</u>	<u>6,363,048</u>

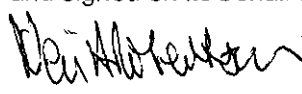
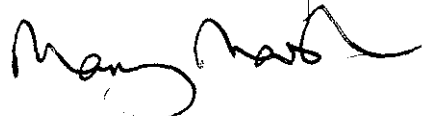
The notes on pages 9 to 15 form part of these accounts.

ST CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2000

	Notes	2000 £	1999 £
TANGIBLE FIXED ASSETS			
School buildings and equipment	4	7,165,679	5,909,975
INVESTMENTS	5	7	6
CURRENT ASSETS			
Debtors	6	285,522	185,307
Cash		<u>260,760</u>	<u>1,062,787</u>
		546,282	1,248,094
CREDITORS: amounts due within one year	7	<u>(666,074)</u>	<u>(514,638)</u>
NET CURRENT ASSETS		<u>(119,792)</u>	<u>733,456</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,045,894	6,643,437
CREDITORS: amounts due after more than one year			
Final term deposits		<u>(372,199)</u>	<u>(280,389)</u>
TOTAL NET ASSETS		<u>6,673,695</u>	<u>6,363,048</u>
CAPITAL AND RESERVES			
Called up share capital	8	28	28
RESTRICTED FUNDS	10	-	80,791
UNRESTRICTED FUNDS	11	<u>6,673,667</u>	<u>6,282,229</u>
		<u>6,673,695</u>	<u>6,363,048</u>

Approved by the Directors on
and signed on its behalf by

20 April 2001

 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 2000

	£	2000 £	1999 £
Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations			
Net incoming resources		316,843	408,404
Depreciation and amortisation charges		297,096	222,189
Increase in debtors		(100,215)	(56,670)
Increase in creditors		243,245	43,291
Net interest received		(53,489)	(87,371)
Net cash inflow from operations		<u>703,480</u>	<u>529,843</u>

CASH FLOW STATEMENT

Net cash inflow from operations		703,480	529,843
Returns on investments and servicing of finance			
Interest received	53,768		88,246
Interest paid	(279)		(875)
Net cash inflow from returns on investments and servicing of finance		53,489	87,371
Capital expenditure and financial investment			
Payments to acquire tangible assets	(1,558,996)		(782,855)
Receipts from sale of tangible fixed assets	-		228
		<u>(1,558,996)</u>	<u>(782,627)</u>
Net cash outflow before financing		(802,027)	(165,413)
Financing			
Loan repayments		-	(24,944)
Decrease in cash in the year		<u>(802,027)</u>	<u>(190,357)</u>

Analysis of Changes in Net Fund

	31 August 1999 £	Cash Flows £	31 August 2000 £
Cash at bank and in hand	<u>1,062,787</u>	<u>(802,027)</u>	<u>260,760</u>
	<u>1,062,787</u>	<u>(802,027)</u>	<u>260,760</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 2000

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 applicable standards and the principals of the Statement of Recommended Practice "Accounting by Charities".

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 10/25 years
Fixtures, fittings and equipment	- over 5 years
Motor vehicles	- over 5 years
Computer equipment	- over 3 years
Temporary classrooms	- over 10 years

Long leaseholds property is considered by the directors to have a sufficient economic life to allow it to be amortised over its lease term of 113 years, as at 31 August 2000. Its service potential is such that the directors consider the carrying value, which under the transitional provisions of FRS 15 is to be "frozen" as cost for the future, is not impaired. The directors will review this position annually.

c) Fees

Fees consist of charges for the School year ending 31 August 2000, 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 2000

2. FEES RECEIVABLE

	2000 £	1999 £
Fees receivable consists of:		
Gross fees	4,555,211	4,263,973
Less: Bursaries	(151,244)	(122,064)
Allowances	(275,579)	(238,724)
	<u>4,128,388</u>	<u>3,903,185</u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	2000 Total £
Direct Charitable Expenditure:				
Education	1,810,748	217,127	82,366	2,110,241
Welfare	365,222	215,171	6,783	587,176
Premises	292,809	288,839	200,770	782,418
Support costs	273,336	220,834	7,177	501,347
	<u>2,742,115</u>	<u>941,971</u>	<u>297,096</u>	<u>3,981,182</u>
Other Expenditure:				
Interest	-	279	-	279
Management and Administration of the Charity	-	14,993	-	14,993
	<u>2,742,115</u>	<u>957,243</u>	<u>297,096</u>	<u>3,996,454</u>
				1999 Total
Direct Charitable Expenditure:				
Education	1,659,616	224,025	62,247	1,945,888
Welfare	379,210	236,961	9,784	625,955
Premises	199,700	256,226	139,249	595,175
Support costs	254,909	243,019	10,909	508,837
	<u>2,493,435</u>	<u>960,231</u>	<u>222,189</u>	<u>3,675,855</u>
Other Expenditure:				
Interest	-	875	-	875
Management and administration of the Charity	-	8,699	-	8,699
	<u>2,493,435</u>	<u>969,805</u>	<u>222,189</u>	<u>3,685,429</u>

ST CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2000

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

	2000 £	1999 £
Expenditure includes the following:		
Direct charitable expenditure includes:		
Ex-Gratia and redundancy costs	<u>3,204</u>	<u>19,188</u>
Other expenditure includes:		
Auditor's remuneration:		
for audit	8,225	8,078
for other services	446	-
Operating lease rentals - other	15,087	14,604
Depreciation	137,644	82,940
Amortisation	<u>165,648</u>	<u>139,221</u>
Staff Costs		
Wages and salaries	2,403,197	2,186,913
Social security costs	185,209	169,916
Pension contributions	<u>153,709</u>	<u>136,606</u>
	<u>2,742,115</u>	<u>2,493,435</u>

The average number of employees in the year was 128 (1999 - 117) of which 58 (1999 - 52) 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 £40,000 were:

	No.	No.
£60,001 - £70,000	<u>1</u>	<u>1</u>

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2000

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold Property £	Motor vehicles £	Fixtures fittings and equipment £	Computer equipment £	Total £
Cost/valuation						
1 September 1999	162,050	6,889,816	63,731	729,024	305,351	8,149,972
Additions	-	1,378,589	-	103,934	76,473	1,558,996
Disposals	-	-	-	-	-	-
31 August 1999	162,050	8,268,405	63,731	832,958	381,824	9,708,968
Depreciation						
1 September 1999	25,569	1,276,258	35,560	656,443	246,167	2,239,997
Adjustments for disposal	-	-	-	-	-	-
Charge for year	2,841	162,807	9,391	61,668	66,585	303,292
31 August 2000	28,410	1,439,065	44,951	718,111	312,752	2,543,289
Net book values						
31 August 2000	133,640	6,829,340	18,780	114,847	69,072	7,165,679
<i>31 August 1999</i>	<i>136,481</i>	<i>5,613,558</i>	<i>28,171</i>	<i>72,581</i>	<i>59,184</i>	<i>5,909,975</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

	2000 £	1999 £
At mid-market value		
Balance at 1 September 1999	-	202
Unrealised loss	-	-
Redemption during the year	-	(202)
Balance at 31 August 2000	-	-
Investment in subsidiary undertaking (note 15)	7	6
	<u>7</u>	<u>6</u>

6. DEBTORS

Fees	143,969	101,348
Amounts owed by subsidiary undertaking	62,616	41,605
Other debtors	27,341	24,054
Prepayments	51,596	18,300
	<u>285,522</u>	<u>185,307</u>

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2000

7. CREDITORS: Due within one year	2000	1999
	£	£
Fees in Advance	439,673	274,402
Final term deposits	66,356	63,790
Trade creditors	19,976	10,353
Other taxes and social security	53,185	48,307
Accruals and deferred income	67,035	97,984
Other creditors	19,849	19,802
	<u>666,074</u>	<u>514,638</u>

8. SHARE CAPITAL	No.	Value	No.	Value
	2000	2000	1999	1999
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/ (liabilities) £	Long term liabilities £	Total £
General funds:					
Unrestricted	7,165,679	7	(119,820)	(372,199)	6,673,667
Share capital	-	-	28	-	28
	<u>7,165,679</u>	<u>7</u>	<u>(119,792)</u>	<u>(372,199)</u>	<u>6,673,695</u>

10. RESTRICTED FUNDS

	Balance 1 September 1999 £	Incoming Resources £	Resources Expended £	Investment Gains/ (losses) £	Transfers	Balance 31 August 2000 £
2000 Development Appeal	<u>80,791</u>	<u>15,944</u>	<u>(184)</u>	<u>-</u>	<u>(96,551)</u>	<u>-</u>

The transfer of £96,551 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 2000

11. UNRESTRICTED FUNDS

General	<u>6,282,229</u>	<u>4,291,157</u>	<u>(3,996,270)</u>	<u>-</u>	<u>96,551</u>	<u>6,673,667</u>
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The unrestricted funds are retained as necessary to cover working capital requirements.

12. CONTRACTS AND COMMITMENTS

As at 31 August 2000, the School had contracted for building work amounting to £202,354.

13. OPERATING LEASE COMMITMENTS

	2000 £	1999 £
Annual commitments under operating leases expiring:		
within one year	1,523	1,593
within two to five years	<u>19,101</u>	<u>14,033</u>
	<u>20,624</u>	<u>15,626</u>

14. PENSION COSTS

The teaching staff are members of the DfEE Teachers' Pension Agency Teachers' Superannuation Scheme which is a defined contribution scheme. The assets of the scheme are held separately from those of the school in an independently administered fund. The school also contributes to the personal pension plans of those non-teaching staff who are eligible. The pension costs charge represents contributions payable by the school and amounted to £153,709 (1999: £136,600).

ST CHRISTOPHER SCHOOL (LETCWORTH) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2000

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 2000, which are not consolidated with the School financial statements, showed the following position:

BALANCE SHEET	2000	1999
	£	£
CURRENT ASSETS		
Debtors	42,270	40,389
Cash	22,799	11,173
	<u>65,069</u>	<u>51,562</u>
CREDITORS: amounts falling due within one year	<u>65,062</u>	<u>(51,556)</u>
NET CURRENT ASSETS	<u>7</u>	<u>6</u>
TOTAL NET ASSETS	<u>7</u>	<u>6</u>
CAPITAL AND RESERVES		
Called up share capital	7	6
Profit and loss account (below)	-	-
	<u>7</u>	<u>6</u>
PROFIT AND LOSS ACCOUNT		
Turnover	42,960	40,889
Operating Costs	(10,966)	(11,978)
	<u>31,994</u>	<u>28,911</u>
Profit from continuing activities	31,994	28,911
Covenanted donation gross	(31,994)	(28,911)
Balance brought forward	-	-
	<u>-</u>	<u>-</u>
Balance carried forward	-	-