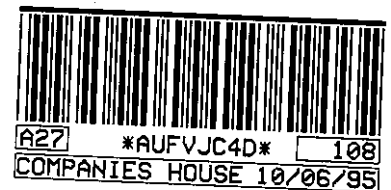


ST. CHRISTOPHER SCHOOL
(LETCWORTH) LIMITED

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST AUGUST, 1994

Company No. 535836



ST. CHRISTOPHER SCHOOL (LETCHEWORTH) LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

DIRECTORS

D.K. Baker
Miss A. Jacob
N.A. Robertson
Mrs. M.E. Marsh
Mrs. L. Pollard
Mr. B.G. Goodall

SECRETARY

Mrs. P. Murray-Jones

COMPANY NUMBER

535836

REGISTERED OFFICE

Barrington Road,
Letchworth,
Herts.
SG6 3JZ

BANKERS

Barclays Bank plc.,
Station Place,
Letchworth,
Herts.

AUDITORS

Watts Knowles,
Registered Auditor and
Chartered Accountants,
121/123 Norton Way South,
Letchworth,
Herts.
SG6 1NZ

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REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31st August, 1994.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The School is a Registered Charity and its principal activity is the education of girls, boys and adult students of either sex.

The results are set out on page 5.

The Directors consider the excess of income over expenditure to be satisfactory and the Report of the Chairman is included on page 3.

MARKET VALUE OF LAND AND BUILDINGS

The leasehold properties were revalued by the Directors on 31st August, 1979, and additions since that date are included at cost. In accordance with Statements of Standard Accounting Practice, amortisation has been provided at a rate which will write off the cost of leasehold properties evenly over their remaining lives.

Because of the specialised nature of the buildings, the market value of the Company's properties is not easy to ascertain, but the Directors consider that such value would be greater than the written-down amount at which they are included in the annexed Balance Sheet.

FIXED ASSETS

Details of all fixed assets are shown in note 6 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and their beneficial interests in the company's issued share capital, were as follows:-

	<u>Ordinary £1 shares</u>	
	<u>At 31.8.94</u>	<u>At 31.8.93</u>
D.K. Baker	4	4
Miss A. Jacob	4	4
N.A. Robertson	4	4
Mrs. M.E. Marsh	4	4
Mrs. L. Pollard	4	4
B.G. Goodall	-	-

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 company's state of affairs at the end of the year and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently, and

Make judgements and estimates that are reasonable and prudent, and

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

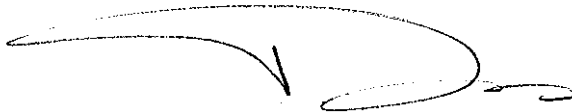
REPORT OF THE DIRECTORS (continued)

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 and other irregularities.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of the Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Secretary

PAULINE MURRAY-JONES

26th Feb. 1995

REPORT OF THE CHAIRMAN

For the year ended 31st AUGUST, 1994

The Governors consider the results for the year to be very satisfactory given the current unfavourable climate for independent boarding schools.

Pupil numbers have been maintained, although the switch from boarding to day, resulting in a reduction in turnover, continues to be a major factor in planning for the future. This is especially important when a lot of the school property is devoted to boarding accommodation.

Staff costs have been well contained, but despite strenuous efforts by all concerned, other establishment costs have been subject to increases over which we have little control.

The Capital projects to refurbish Arunwood and Arundale kitchen/servery were completed in the year as anticipated.

The Governors now feel cautiously confident about the future and have authorised a new School Appeal for the completion of the Art, Craft and Technology Wing and the plan to modify and cover the swimming pool. A building Reserve Fund has been established to ensure the success of these and other future capital projects.



NEIL A. ROBERTSON

Chairman of Governors

26 FEB 1995

REPORT OF THE AUDITORS

To the Members of ST. CHRISTOPHER SCHOOL (LETCHWORTH) LIMITED

We have audited the financial statements set out on pages 5 to 11, which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 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 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 on 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 information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st August, 1994 and of the surplus and cashflow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Letchworth, Herts.

6th June 1995

Watts Knowles
Registered Auditors and
Chartered Accountants

WATTS KNOWLES & Co

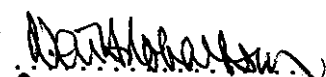
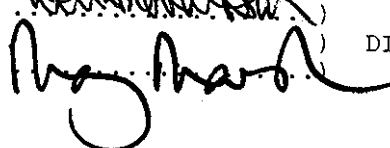
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31st AUGUST, 1994

	Note	£	1994 £	£	1993 £
<u>TURNOVER</u>	2		3,023,164		3,109,932
<u>EXPENSES</u>					
Staff costs	3	1,964,202		2,141,141	
Depreciation and amortisation		116,794		94,593	
Auditors' remuneration		4,700		7,666	
Bad debts written off		7,671		33,203	
Increase in provision for doubtful debts		44,914		16,455	
Other expenses		634,433		589,889	
			2,772,714		2,882,947
<u>OPERATING SURPLUS</u>			250,450		226,985
Interest receivable and other income	4		104,481		81,438
			354,931		308,423
Interest payable and similar charges	5		11,209		14,713
<u>EXCESS OF INCOME OVER EXPENDITURE FOR THE FINANCIAL YEAR</u>			343,722		293,710
<u>RETAINED SURPLUS BROUGHT FORWARD</u>			2,989,518		2,695,808
			3,333,240		2,989,518
Transfer to Building Reserve	12		(500,000)		
<u>RETAINED SURPLUS CARRIED FORWARD</u>			2,833,240		2,989,518
			=====		=====
<u>NOTE OF HISTORICAL COST SURPLUS</u>					
Reported surplus for the financial year			343,722		293,710
Difference between historical cost depreciation charge and actual charge on the revalued amount of fixed assets			28,995		26,240
Historical cost surplus for the financial year			372,717		319,950
			=====		=====

BALANCE SHEET at 31st AUGUST, 1994

	Note	£	1994 £	£	1993 £
<u>FIXED ASSETS</u>					
Tangible assets	6		4,128,107		3,787,884
<u>CURRENT ASSETS</u>					
Investments	7	200		200	
Debtors	8	203,390		169,306	
Cash at bank		977,407		642,598	
Cash in hand		610		1,200	
			1,181,607		813,304
<u>CREDITORS - Amounts falling due within one year</u>	9	683,968		335,403	
<u>NET CURRENT ASSETS</u>			497,639		477,901
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			4,625,746		4,265,785
<u>CREDITORS - Amounts falling due after more than one year</u>	10		(311,722)		(301,723)
<u>TOTAL NET ASSETS</u>			4,314,024		3,964,062
<u>CAPITAL AND RESERVES</u>					
Called up share capital	11		28		28
Reserves	12		4,313,996		3,964,034
			4,314,024		3,964,062

Approved at a meeting of the Directors held on 26th February 1995.



 DIRECTORS

N.A. ROBERTSON

M.E. MARSH

CASH FLOW STATEMENTFor the year ended 31st AUGUST, 1994

	£	1994 £	£	1993 £
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>		691,724		251,431
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>				
Interest received	104,481		81,438	
Interest paid	(11,209)		(14,713)	
<u>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>		93,272		66,725
<u>INVESTING ACTIVITIES</u>				
Purchase of fixed assets	(457,017)		(73,361)	
Insurance proceeds received	-		-	
<u>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</u>		(457,017)		(73,361)
<u>NET CASH INFLOW BEFORE FINANCING</u>		327,979		244,795
<u>FINANCING</u>				
Increase in capital reserves	6,240		7,645	
<u>NET CASH INFLOW FROM FINANCING</u>		6,240		7,645
<u>INCREASE IN CASH AND CASH EQUIVALENTS</u>		334,219		252,440
		=====		=====

NOTES TO THE CASHFLOW STATEMENT1. RECONCILIATION OF OPERATING PROFIT TO NET
CASH INFLOW FROM OPERATING ACTIVITIES

	1994 £	1993 £
Operating surplus	250,450	226,985
Depreciation and amortisation	116,794	94,593
(Increase) in debtors	(34,084)	(11,099)
Increase/(decrease) in creditors	358,564	(59,048)
<u>Net cash inflow from operating activities</u>	691,724	251,431
	=====	=====

CASH FLOW STATEMENTFor the year ended 31st AUGUST, 1994 (continued)2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>1994</u> £	<u>1993</u> £
Balance at start of year	643,798	391,358
Net cash inflow	334,219	252,440
	<hr/>	<hr/>
Balance at end of year	978,017	643,798
	=====	=====

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u> £	<u>Change</u> <u>in year</u> £	<u>1993</u> £
Bank account - Development Fund	100	-	100
Deposit account - Bursary	1,128	35	1,093
Bank Business Premium account	835,343	822,634	12,709
Bank account - Special Donation Fund	2,837	(20)	2,857
Bank account	137,999	118,751	19,248
Cash floats	610	(590)	1,200
Treasurer's account	-	(606,591)	606,591
	<hr/>	<hr/>	<hr/>
	978,017	334,219	643,798
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st AUGUST, 1994

1. ACCOUNTING POLICIES(a) Accounting Basis

The financial statements are prepared under the historical cost convention, as modified by the revaluation of leasehold land and buildings, and in accordance with applicable Accounting Standards.

(b) Turnover

Turnover represents the net amount invoiced during the year in respect of the education of girls, boys and adult students of either sex, after the Governors have awarded Bursaries.

(c) Depreciation

Depreciation has been provided to write off the cost of fixed assets over their estimated useful lives, at the following rates:-

Freehold buildings	Over 50 years
Leasehold land and buildings	Over the duration of the lease
Fixtures, fittings and equipment	Over 3 to 5 years
Temporary classrooms	Over 10 years
Motor vehicles	Over 5 years

2. TURNOVER

The whole of the turnover and surplus is attributable to the principal activity of the company. The Governors awarded Bursaries in the year of £71,823 (1993 £164,635).

3. STAFF COSTS

Wages and salaries	1,727,985	1,891,640
Social security costs	145,866	157,580
Other pension costs	90,351	91,921
	<u>1,964,202</u>	<u>2,141,141</u>
	=====	=====

The average weekly number of employees during the year was 119 (1993 130).

4. INTEREST RECEIVABLE AND OTHER INCOME

Listed investments	22	22
Bank interest	50,857	47,478
Donations and other income	53,602	32,938
Bad debts recovered	-	1,000
	<u>104,481</u>	<u>81,438</u>
	=====	=====

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest on mortgage -		
repayable in more than 5 years	7,671	12,394
Other charges	3,538	2,319
	<u>11,209</u>	<u>14,713</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st AUGUST, 1994 (continued)

6. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Long L/Hold Land and Buildings</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Temporary Classrooms</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost or valuation</u>						
At 1.9.93	162,050	4,502,567	473,190	86,591	30,531	5,254,929
Additions	-	329,646	104,517	-	22,854	457,017
Disposals	-	-	-	-	-	-
At 31.8.94	162,050	4,832,213	577,707	86,591	53,385	5,711,946
<u>Depreciation</u>						
At 1.9.93	8,523	972,521	382,301	76,524	27,176	1,467,045
Charge for the year	2,841	32,168	69,429	4,429	7,927	116,794
Disposals	-	-	-	-	-	-
At 31.8.94	11,364	1,004,689	451,730	80,953	35,103	1,583,839
<u>Net Book Value</u>						
At 31.8.94	150,686	3,827,524	125,977	5,638	18,282	4,128,107
<u>Net Book Value</u>						
At 31.8.93	153,527	3,530,046	90,889	10,067	3,355	3,787,884

The historical cost of leasehold land and buildings included above at a valuation of £1,116,000 was £400,319.

The leasehold land and buildings were revalued by the Directors on 31st August, 1979. The aggregate depreciation based on historical cost would have been £386,792 (1993 - £357,797).

7. INVESTMENTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Listed investment:		
£228.25 9.5% Treasury Stock 1999	200	200
	==	==
Valuation: Listed investment -		
Market value	237	259
	==	==

8. DEBTORS

Fees and disbursements	191,087	150,710
Other debtors	56,416	2,349
Prepayments	45,176	60,622
Provision for doubtful debts -		
At start of year	44,375	27,920
Increase in the year	44,914	16,455
At end of year	(89,289)	(44,375)
	<u>203,390</u>	<u>169,306</u>
	=====	=====

9. CREDITORS: Amounts falling due within one year

Mortgage	21,190	21,190
Other loan	3,500	3,500
Payments received on account	408,402	182,060
Trade creditors	159,079	70,070
Taxes and Social Security costs	42,734	43,440
Other creditors	15,119	7,870
Accruals	33,944	7,260
	<u>683,968</u>	<u>335,400</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31st AUGUST, 1994 (continued)10. CREDITORS: Amounts falling due after
more than one year

	<u>1994</u>	<u>1993</u>
	£	£
Mortgage	67,396	80,914
Other loan	6,708	10,209
Payments received on account	237,618	210,600
	<u>311,722</u>	<u>301,723</u>
	=====	=====

The mortgage represents a 25 year loan secured against the freehold property at 21 Baldock Road, Letchworth.

11. SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
Authorised:		
Ordinary shares of £1 each	50	50
	==	==
Allotted and issued:		
Ordinary shares of £1 each, fully paid	28	28
	==	==

12. RESERVES

	<u>1994</u>		<u>1993</u>
	£	£	£
Capital Reserve	815,972		815,972
Bursary Fund	1,428		1,093
Beethoven Society	653		498
Sundry Funds	4,719		148
Development Appeal Fund			
Balance at 1.9.93	156,805	148,280	
Donations and tax refunds	1,179	9,142	
	<u>157,984</u>	<u>157,422</u>	
	-	617	
<u>Less: Expenses</u>	157,984		156,805
Income and Expenditure account	2,833,240		2,989,518
Building Reserve	500,000		-
	<u>4,313,996</u>		<u>3,964,034</u>
	=====		=====

Donations received in respect of the Development Appeal for the new Art Block total £180,312.

The Capital Reserve represents the surplus on Directors' revaluation of leasehold properties and the total net income from appeals, legacies and funds which have now closed, as follows:-

	<u>1994</u>	<u>1993</u>
	£	£
Revaluation reserve	715,681	715,681
Appeals, legacies and funds	100,291	100,291
	<u>815,972</u>	<u>815,972</u>
	=====	=====

The funds shown in the Building Reserve are held within the company bank accounts and are for use in the projects at present under consideration.

13. CAPITAL COMMITMENTS

	<u>1994</u>	<u>1993</u>
	£	£
Contracted	11,000	-
Authorised, but not contracted	73,500	124,000
	=====	=====

ST. CHRISTOPHER SCHOOL (LETCWORTH) LIMITEDINCOME AND EXPENDITURE ACCOUNT
For the year ended 31st AUGUST, 1994

	1994	1993
	£	£
<u>TURNOVER</u>	3,023,164	3,109,932
<u>PAYROLL COSTS</u>		
Salaries - Teaching	1,174,949	1,246,757
Salaries - Non-teaching	789,253	894,384
<u>ESTABLISHMENT EXPENSES</u>		
Academic Department expenses	103,223	93,377
House, trips, clubs and guilds	5,444	-
Other staff costs	14,222	10,505
Household and laundry costs	31,324	29,955
Grounds, gardens and pool costs	4,758	6,229
Maintenance costs	79,654	65,076
Rent and rates	22,313	24,025
Fuel, light and water	94,035	85,580
Insurance	27,410	25,602
Printing, postage and stationery	24,712	27,008
Marketing costs	49,900	69,539
Telephones	22,961	25,551
Equipment hire and maintenance	7,278	-
Service agreements	11,729	12,785
Catering costs	92,432	78,044
Administration costs	24,750	-
School vehicle costs	8,614	15,574
Medical costs	4,541	-
Computer expenses	-	12,965
Sundry expenses	-	3,118
<u>PROFESSIONAL AND FINANCIAL EXPENSES</u>		
Legal and professional	9,833	12,622
Bank charges and interest	11,209	14,713
<u>TOTAL OPERATING COSTS</u>	2,614,544	2,753,409
<u>BAD DEBTS AND DEPRECIATION</u>		
Bad debts written off	7,671	33,203
Increase in provision for doubtful debts	44,914	16,455
Depreciation	116,794	94,593
<u>TOTAL EXPENSES</u>	2,783,923	2,897,660
	239,241	212,277
<u>OTHER INCOME</u>		
Interest receivable	50,857	47,500
Donations and other income	53,624	32,938
Bad debts recovered	-	1,000
<u>TOTAL OTHER INCOME</u>	104,481	81,438
<u>EXCESS OF INCOME OVER EXPENDITURE</u>	343,722	293,722