

THE LEIGH CITY TECHNOLOGY COLLEGE
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997

Company Registration - No 02336587R

Charity Registration - No 800972



**THE LEIGH CITY TECHNOLOGY COLLEGE
LEGAL AND ADMINISTRATIVE INFORMATION**

Members

Sir Geoffrey Leigh
R J Dunn
T J Mahon
Sir Cyril Taylor
J S Newman

The Members of the company are also the Directors.

Governors

R C R Blackledge^{^*°}
K Bradbrook[^] (Appointed 13 May 1997)
P Carter (Appointed 23 September 1997)
A Clayton*
M Collins[^] (Resigned 31 July 1997)
M Dando (Appointed 28 October 1997)
R J Dunn
AFX Green^{^*°} (Appointed 1 September 1997)
K F M Leadbeater [^]
Sir Geoffrey Leigh (Chairman)
Mrs P Morris
T C H Smith*
G Thomas [°] (Resigned 15 May 1997)
Mrs V A Waterhouse^{^*°} (Resigned 31 August 1997)
J Wharf (Resigned 31 October 1997)
N Wightman^{*°}
Dr J Williams
Mrs P de Winton (Appointed 15 May 1997)

Key

- [^] Members of the Finance Committee
- ^{*} Members of the Staffing & General Purposes Committee
- [°] Members of the Premises Committee

Secretary

Mrs V A Waterhouse (Appointed 26 October 1996, Resigned 31 August 1997)
R G Teare FCA (Appointed 1 September 1997)

Registered Office

Green Street Green Road
Dartford
Kent DA1 1QE

Company Registration Number

02336587R

Charity Registration Number

800972

Auditors

Pannell Kerr Forster
Chartered Accountants
New Garden House
78 Hatton Garden
London EC1N 8JA

Bankers

Midland Bank Plc
38 High Street
Dartford
Kent DA1 1DG

Solicitors

Nabarro Nathanson
50 Stratton Street
London W1X 6NX

THE LEIGH CITY TECHNOLOGY COLLEGE REPORT OF THE GOVERNORS

The Governors present their report and the audited financial statements for the year ended 31 August 1997.

Constitution and principal activities

The College is a company limited by guarantee and a registered charity. The company's memorandum and articles of association are the primary governing documents of the College. Members of the company are nominated either by the Secretary of State for Education and Employment or Allied London Properties Plc. The articles of association require the members of the company to appoint at least 8 Governors to be responsible for the affairs of the company and the management of the College.

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the company one third of the Governors retire by rotation. The Governors to retire are those who have been longest in office since their last election or appointment.

The principal activity of the College is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing one or more secondary schools offering a broad curriculum with a strong emphasis on science, technology, modern languages and their principal applications.

In accordance with the articles of association the company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Employment. The Scheme of Government specifies, amongst other things, the basis for admitting students to the College, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

Organisation and Objectives

The sole activity of the Company is the operation of The Leigh City Technology College which provides education for students across the whole ability range between the ages of 11 and 19 with an emphasis on science, technology and vocational education.

The goals of the College are:

- to raise the aspirations and achievements of all students and staff through a system of quality management and continuous improvement which sets targets and implements strategies for regular and effective monitoring and evaluation
- to develop a culture of innovation, research and development which places the College at the leading edge in all its areas of activity and enables it to provide a distinctive CTC curriculum meeting the needs of business, industry and the wider European market.
- to ensure that the College is run cost-effectively and efficiently, and that strategies are adopted to secure its future as a well-run, well-funded institution able to meet the educational and community demands of a changing world.

There has been considerable change to the Senior Management during the year. The Vice-Principal, Finance and Administration was replaced by a Finance Manager who has since been replaced by a Business Manager. One of the Curriculum Managers left and was replaced.

However, the change likely to have the biggest effect was the retirement of the Principal and the appointment of her successor. One of the main tasks of the new Principal will be a detailed review of the management of the College.

Developments, Activities and Achievements

The Leigh City Technology College ended its seventh year with the best examination results yet at GCSE level. 43% of our students achieved five or more A* - C grades. This puts the College in the top 20 most improving schools during the past four years. Baseline results are up by 24% over the period from 19% to 43% which is an increase of more than 100%.

The College's reputation as a leading exponent in vocational education was confirmed by excellent results in the first ever GNVQ Part 1 examinations, with 100% of Business students and 76% in Health and Social Care achieving passes. Students aged 14-16 achieved an overall pass rate in all vocational qualifications of 90%. The College pioneered the development of GNVQ Part 1 courses and the Government now counts these as equivalent to two GCSE grades at A -C. In this way, the College provides a balanced curriculum combining the best of vocational and academic learning.

THE LEIGH CITY TECHNOLOGY COLLEGE REPORT OF THE GOVERNORS (Continued)

In Advanced GNVQ, which allows progression to University, 79% of students achieved passes, an excellent result which gives our students a great advantage in the employment market. At 'A' Level, results were in line with student ability.

In the National Curriculum Tests at Key Stage 3, 68% of students achieved higher levels against a national figure of 59%. A key aspect of this rise in achievement is the introduction of target-setting for every student and personal mentoring of all examination students by senior staff.

Over-subscription remains high with applications for the 1997 entry reaching 560.

The College continued to upgrade its High Technology learning resources. A new Information and Communications Technology room called the 'Virtual Classroom' was created. This High Technology classroom houses video-conferencing equipment designed for distance-learning work by Post 16 students undertaking A Level Psychology and Electronics. The facility can provide video-conferencing links for Leigh students with students and employers all around the world.

The College continues to enjoy the benefit of many supportive companies who offer visits and curriculum support in other ways. In 1996/97 College students visited or were visited by representatives from such diverse organisations as Caterham Cars, Ford, McDonalds, Bluewater Park, Glaxo Wellcome, Alfred Marks, The Orchard Theatre, and Dartford Borough Council to name but a few. These links were successfully used to enrich student learning.

The refurbishment of the College buildings and facilities included further work on the flat roofs, the central heating pipes and the replacement of unsafe windows. The refurbishment of changing rooms and toilet facilities will begin soon and a rolling maintenance programme is being established.

Operating and Financial Review

Most of the College's income is obtained from the DfEE in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during 1996/97 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The College also receives capital grants from the DfEE and capital donations from commercial sponsors. The capital grants and donations have been given to the College to provide fixed assets and have been fully expended. In accordance with accounting standards the grants and donations are shown in the balance sheet as deferred income. The balance sheet deferred income account is reduced by transfers of amounts equivalent to any depreciation or amortisation charges over the expected useful life of the assets concerned. The transfers from the deferred income accounts are shown as income to the endowment funds on the Statement of Financial Activities.

Expenditure for the year was covered by grants from the DfEE and other income and the excess of income over expenditure for the year was £27,389.

At 31 August 1997 the net book value of fixed assets was £8,391,135 and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the College.

The College had net assets of £178,443 at 31 August 1997 representing a deficit of £447,661 on restricted funds and accumulated unrestricted funds of £626,104. The balances are adequate to fulfil the obligations of the College and provide against most unforeseen future events. To achieve the development plan objectives and for other major capital projects the College remains dependent on the provision of additional capital grants from both the DfEE and commercial sponsors.

Subsidiary Company

The College owns 100% of the issued ordinary shares of The Leigh CTC Enterprises Company Limited incorporated in England. In the year to 31 August 1997 the subsidiary made a profit of £1,313. Further details about the company are given in note 11 to the financial statements.

**THE LEIGH CITY TECHNOLOGY COLLEGE
REPORT OF THE GOVERNORS (continued)**

Governors

The Governors of the College who served during the year and subsequently are set out on page 1.

Indemnity insurance

The College maintains indemnity insurance in respect of its Members and its Governors.

Legal status

The College is a company limited by guarantee and a registered charity. The company does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceased to be a member

Disabled persons

The policy of the College is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the College, as well as generally through training and career development.

Auditors

The auditors, Pannell Kerr Forster have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

Approval

The Report of the Governors was approved on 10 December 1997.


Company Secretary

**THE LEIGH CITY TECHNOLOGY COLLEGE
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 and loss of the company for that period. In preparing these financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis

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' REPORT TO THE MEMBERS OF
THE LEIGH CITY TECHNOLOGY COLLEGE**

We have audited the financial statements on pages 7 to 19 which have been prepared on the basis of the accounting policies set out on page 11 and 12.

Respective responsibilities of directors and auditors

As described on page 5, the 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 of the significant estimates and judgements made by the governors 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.

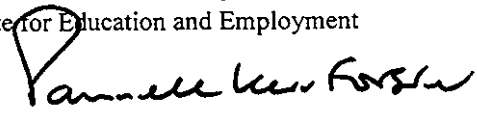
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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

- a) the financial statements give a true and fair view of the state of affairs of the College as at 31 August 1997 and of its income and expenditure and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985;
- b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education and Employment in respect of the relevant financial year;
- c) proper accounting records have been kept by the College throughout the year;
- d) grants made by the Department for Education and Employment have been applied for the purposes intended;
- e) we are satisfied that the College's systems of internal controls are such as to comply with the obligations placed on the governing body by the Secretary of State for Education and Employment and we have not identified any material weaknesses.

London


PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

24 December 1997

**THE LEIGH CITY TECHNOLOGY COLLEGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 1997**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds (Public) £	(Private) £	Total 1997 £	Total 1996 £
INCOMING RESOURCES							
Grants received		-	3,923,921	379,100	-	4,302,621	4,158,227
Donations & gifts		1,587	-	-	-	1,587	8,332
Less: Deferred income	16	-	-	(379,100)	-	(379,100)	(313,126)
Interest received	6	32,795	-	-	-	32,795	45,011
Other income	6	42,391	-	-	-	42,391	18,288
Amortisation Transfer		-	-	335,253	-	335,253	347,571
Total Incoming Resources		76,773	3,923,521	335,253	-	4,335,547	4,264,303
RESOURCES EXPENDED							
<i>Direct Charitable Expenditure:</i>							
Provision of Education		-	3,425,098	-	-	3,425,098	3,444,717
Support costs		-	376,378	-	-	376,378	288,875
<i>Other Expenditure:</i>							
Management & Administration		53,875	452,807	-	-	506,682	476,021
Total Resources Expended		53,875	4,254,283	-	-	4,308,158	4,209,613
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS							
		22,898	(330,762)	335,253	-	27,389	54,690
Transfers between funds		-	335,253	(353,253)	-	-	-
Net Movement in Funds		22,898	4,491	-	-	27,389	54,690
Fund balances brought forward at 1 September 1996		603,206	(452,152)			151,054	96,364
Fund balances carried forward at 31 August 1997		626,104	(447,661)	-	-	178,443	151,054

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the College during the year and reconciles the movements in the funds. Further analysis of the income and expenditure for the year is shown on page 8 and the overall financial position at the year end is summarised in the balance sheet on page 9.

THE LEIGH CITY TECHNOLOGY COLLEGE
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997

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**THE LEIGH CITY TECHNOLOGY COLLEGE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 1997**

	Note	<u>1997</u> £	<u>1996</u> £
INCOME			
Annual Per Capita Grant	2	3,731,264	3,662,753
Other DfEE Grants	3	97,226	94,233
Other Grants	4	95,031	96,115
Private Sector Sponsorship	5	1,587	332
Interest received and other Income	6	75,186	63,299
Amortisation of Deferred Income		335,253	347,571
		<hr/>	<hr/>
TOTAL INCOME		4,335,547	4,264,303
		<hr/>	<hr/>
EXPENDITURE			
Annual Per Capita Grant Expenditure		3,887,279	3,738,482
Other Grant Related Expenditure		62,798	79,233
Other DFEE Grant Related Expenditure		15,360	15,383
Depreciation		335,253	347,571
Other Expenditure		7,468	28,944
		<hr/>	<hr/>
TOTAL EXPENDITURE	7,8,9	4,308,158	4,209,613
		<hr/>	<hr/>
EXCESS OF INCOME OVER EXPENDITURE		27,389	54,690
		<hr/>	<hr/>
NET TRANSFER TO/(FROM) FUNDS			
General Purpose Fund (Grant Income)	17	4,491	20,003
Other Fund (Non-Grant Income)	18	22,898	34,687
		<hr/>	<hr/>
		27,389	54,690
		<hr/>	<hr/>

The Income and Expenditure Account is derived from the Statement of Financial Activities on page 7 which, together with the notes to the accounts on pages 11 to 19 provide full information on the movements during the year on all the funds of the College.

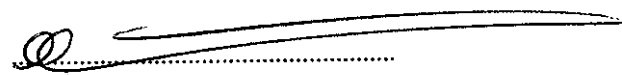
All items dealt with in arriving at the excess of income over expenditure for 1997 and 1996 relate to continuing operations.

The College has no recognised gains or losses other than those included in the above results and therefore no separate statement of gains and losses has been presented.

THE LEIGH CITY TECHNOLOGY COLLEGE
BALANCE SHEET
AT 31 AUGUST 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
FIXED ASSETS			
Tangible assets	10	8,391,135	8,263,836
Investments	11	100,002	100,002
		<hr/>	<hr/>
		8,491,137	8,363,838
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	12	355,156	39,458
Cash at bank and in hand		326,487	431,971
Prepayments		39,469	56,146
		<hr/>	<hr/>
		721,112	527,575
		<hr/>	<hr/>
CURRENT LIABILITIES			
Amounts falling due within one year			
Creditors	13	213,743	179,136
Accruals	14	289,928	90,547
		<hr/>	<hr/>
		503,671	269,683
		<hr/>	<hr/>
NET CURRENT ASSETS		217,441	257,892
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,708,578	8,621,730
		<hr/>	<hr/>
Provisions for Liabilities and Charges	15	139,000	266,438
Deferred Income	16	8,391,135	8,204,238
		<hr/>	<hr/>
NET ASSETS		178,443	151,054
		<hr/>	<hr/>
FUNDS			
Restricted Funds	17	(447,661)	(452,152)
Unrestricted Funds	18	626,104	603,206
		<hr/>	<hr/>
		178,443	151,054
		<hr/>	<hr/>

The financial statements were approved by the Board on 10 December 1997 and signed on its behalf by:


J S Newman

THE LEIGH CITY TECHNOLOGY COLLEGE
CASHFLOW STATEMENT
YEAR ENDED 31 AUGUST 1997

	<u>1997</u> £	<u>1996</u> £
Net cash inflow from operating activities (see below)	75,014	64,698
Return on investment		
Interest received	32,795	45,011
Capital expenditure		
Payments to acquire tangible fixed assets	(272,849)	(453,137)
Financing		
Increase in amount due to subsidiary undertaking	3,156	11,980
Capital grants from DfEE	56,400	305,126
Capital grants from sponsors	-	8,000
	<hr/>	<hr/>
Net cash inflow from financing	59,556	325,106
	<hr/>	<hr/>
Decrease in cash	(105,484)	(18,322)
	<hr/>	<hr/>
	At	At
	1 September	31 August
	<u>1996</u>	<u>1997</u>
	£	£
Cash at bank and in hand	431,971	326,487
	<hr/>	<hr/>
Net incoming resources	27,389	54,690
Depreciation	335,253	347,571
Amortisation of capital grant	(335,253)	(347,451)
Decrease in debtors	7,002	47,447
Decrease/(increase) in prepayments	16,677	(22,173)
Increase in creditors	31,451	59,924
Increase/(decrease) in accruals	9,678	(5,894)
Decrease in provisions	(127,438)	(120,562)
Exclusion of capital expenditure	143,050	96,247
Exclusion of interest received	(32,795)	(45,011)
	<hr/>	<hr/>
Net cash inflow from operating activities	75,014	64,698
	<hr/>	<hr/>

**THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997**

1 ACCOUNTING POLICIES

(a) Format of accounts

The standard format for the accounts as required by the Companies Act 1985 Schedule 4 part 1 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice (SORP) 'Accounting by Charities' and reflects the activities of the company.

(b) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(c) Recognition of income

Income received for specific purposes, e.g. capital grants, are included in the income and expenditure account to the extent of the relevant expenditure incurred in the period. Income received for specific purposes but not matched to relevant expenditure during the period is shown as deferred income on the balance sheet. The annual recurrent grant from the DfEE, which is intended to meet recurrent costs, is credited direct to the income and expenditure account.

(d) Allocation of cost between direct provision of education and other expenditure

In accordance with the Charities SORP, expenditure has been analysed between direct charitable and other expenditure. The only activity undertaken by the company is the operation of The Leigh City Technology College and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the College.

(e) Tangible fixed assets

Tangible fixed assets acquired since the College was established are included in the accounts at cost. Assets inherited on establishment of the College are assumed to be fully depreciated and are not included in the accounts.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a deferred income account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

(f) Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Long leasehold property	1.67%
Furniture & Equipment	10 - 15%
Computer equipment and software	20%

(g) Investments

Fixed asset investments are carried at historical cost less any provision for a permanent diminution in their value.

(h) Taxation

The company is a registered charity and as such is exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of Value Added Tax incurred by the company has been included in the Income and Expenditure Account.

**THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997**

1 ACCOUNTING POLICIES (continued)

(i) Pensions

Retirement benefits to teachers employed by the company are provided by the Teachers' Superannuation Scheme (TSS). The TSS is a national, statutory, contributory, unfunded final salary scheme administered by the Teachers Pension Agency, an executive agency of the Department for Education and Employment. Pension costs are assessed in accordance with the advice of the Government Actuary. Normal and supplementary contributions are charged to the income and expenditure account in the year.

Non-teaching members of staff are offered membership of a defined contribution scheme. The assets of this scheme are held separately from those of the company, being invested with insurance companies. The pension costs for that scheme represent the contributions payable by the company in the year.

2	ANNUAL PER CAPITA GRANT	<u>1997</u> £	<u>1996</u> £
	Maximum Annual Per Capita Grant	3,731,264	3,662,753
		<u> </u>	<u> </u>
3	OTHER FREE GRANTS		
	Earmarked Annual Grant - School meals	69,226	79,233
	General National Vocational Qualification - Pilot Scheme	28,000	15,000
		<u> </u>	<u> </u>
		97,226	94,233
		<u> </u>	<u> </u>
4	OTHER GRANTS		
	Hearing Impaired Unit - Kent County Council	95,031	96,115
		<u> </u>	<u> </u>
5	PRIVATE SECTOR SPONSORSHIP		
	Sundry Sponsors	1,587	332
		<u> </u>	<u> </u>

6

OTHER INCOME			<u>1997</u> £	<u>1996</u> £
Interest received				
	Bank		24,795	38,261
	From Subsidiary Undertaking		8,000	6,750
			<hr/>	<hr/>
			32,795	45,011
			<hr/>	<hr/>
Other income				
	Northwest Kent Teacher Trainers		4,948	9,200
	Rent received		3,977	8,632
	Sundry income		4,087	456
	Transport		29,379	-
			<hr/>	<hr/>
			42,391	18,288
			<hr/>	<hr/>
			75,186	63,299
			<hr/>	<hr/>

7

TOTAL RESOURCES EXPENDED	<u>Staff costs</u> £	<u>Depreciation</u> £	<u>Other costs</u> £	<u>Total</u> <u>1997</u> £	<u>Total</u> <u>1996</u> £
Direct Provision of Education	2,551,731	285,535	587,832	3,425,098	3,444,717
Support Costs	199,249	-	177,129	376,378	288,875
Management & Administration	337,871	49,718	119,093	506,682	476,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,088,851	335,253	884,054	4,308,158	4,209,613
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

8

GENERAL EXPENDITURE		<u>1997</u> £	<u>1996</u> £
Included in expenditure in the income and expenditure account and in the Other costs above are:			
Maintenance costs		11,849	110,311
Occupancy costs		244,757	257,991
Educational supplies and services		177,080	157,227
Other supplies and services		64,997	40,084
Auditors' remuneration - for audit services		6,464	7,638
- for accounting and taxation services		-	10,212
Technology costs		48,151	47,236
Staff development		30,455	38,001
Earmarked Annual Grant - school meals		62,798	79,233
Miscellaneous		237,503	171,751
		<hr/>	<hr/>
		884,054	919,684
		<hr/>	<hr/>

THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997

9

STAFF COSTS

The average number of persons (including senior post holders) employed by the College during the year, expressed as full time equivalents was:-

	<u>1997</u> £	<u>1996</u> £
Management	4	4
Administration	22	22
Teachers	83	85
	<hr/>	<hr/>
Total employees	109	111
	<hr/>	<hr/>
Staff costs for the above persons	£	£
Wages & Salaries	2,602,126	2,559,169
Social security costs	208,001	211,734
Other pension costs	170,718	171,455
Redundancy payments	108,006	-
	<hr/>	<hr/>
Total Staff Costs	3,088,851	2,942,358
	<hr/>	<hr/>

The Governors of the College did not receive any remuneration for their services as Governors.

Pensions

Details of the pension schemes available to employees of the College are set out in note 1(i).

Under the Teachers' Superannuation Scheme, teachers contributions, on a pay-as-you go basis, and employers contributions, are credited to the Exchequer. An annual account, the Teachers Superannuation Account, is kept of receipts and expenditure. Any excess of income over expenditure is deemed to be invested in Government securities. Notional interest on the deemed investment is added to the Account, and the resultant balance is known as the Notional Fund. Expenditure debited to the Account excludes the cost of pension increases paid under the Pension (Increases) Act.

Every five years the Government Actuary conducts an actuarial review of the Scheme, using normal actuarial principles. The cost of pension increases is excluded from the valuation and consequently neither teachers nor employers contribute to this added value, which is met directly by the Exchequer. The most recent review of the Scheme, covering the five years ended 31 March 1986, was published in 1989 and showed liabilities of £31,690 million compared with assets of £30,138 million. The Government Actuary concluded that the deficiency of £1,552 million would require supplementary contributions from employers of 0.75% per annum from 1 April 1989, taking into account the cost of introducing widowers benefits for the husbands of all women teachers dying after 6 April 1988. The Government actuary estimated that if the cost of pensions increases were included in the calculations, the normal contribution rate would have to be increased by a further 6.2%. The College contributed 8.05% of pensionable salaries to the scheme until 30 June 1997, when the rate was reduced to 7.2%.

The College has arranged a money purchase scheme for those non-teaching staff who wish to avail themselves of this facility.

THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997

10 TANGIBLE FIXED ASSETS	<u>Long leasehold land and buildings</u> £	<u>Furniture and equipment</u> £	<u>Computer equipment & Software</u> £	<u>Total</u> £
Cost				
Acquired since incorporation				
At 1 September 1996	9,057,947	1,012,413	606,808	10,677,168
Additions during year	340,180	122,372	-	462,552
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1997	9,398,127	1,134,785	606,808	11,139,720
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 1996	933,465	922,778	557,089	2,413,332
Charge for year	156,949	128,586	49,718	335,253
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1997	1,090,414	1,051,364	606,807	2,748,585
	<hr/>	<hr/>	<hr/>	<hr/>
Book value				
At 31 August 1997	8,307,713	83,421	1	8,391,135
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1996	8,124,482	89,635	49,719	8,263,836
	<hr/>	<hr/>	<hr/>	<hr/>

The Net Book Value at 31 August 1997 represents assets used for:

	<u>Long leasehold land and buildings</u> £	<u>Furniture and equipment</u> £	<u>Computer equipment & Software</u> £	<u>Total</u> £
Direct Charitable Purposes				
Education provision	8,307,713	66,737	1	8,374,451
	<hr/>	<hr/>	<hr/>	<hr/>
Other Purposes				
Management & administration	-	16,684	-	16,684
	<hr/>	<hr/>	<hr/>	<hr/>
	8,307,713	83,421	1	8,391,135
	<hr/>	<hr/>	<hr/>	<hr/>

**THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997**

10	TANGIBLE FIXED ASSETS (continued)	Note	<u>1997</u> £	<u>1996</u> £
	Source of funding for assets acquired			
	DfEE Capital Grants	16	8,887,504	8,508,404
	Private Sector Private Sponsorship	16	1,600,039	1,600,039
	General purpose fund (recurrent grant income)	16	652,177	509,127
			<hr/> 11,139,720	<hr/> 10,617,570
	Reconciliation of fixed assets to funding			
	Total fixed assets at 31 August 1997 at cost		11,139,720	10,677,161
	Less: accrued capital expenditure		-	(59,597)
			<hr/> 11,139,720	<hr/> 10,617,570

11 INVESTMENTS

Wholly owned subsidiary undertaking

Shares at cost	2	2
Long term loan	100,000	100,000
	<hr/> 100,002	<hr/> 100,002

The wholly-owned subsidiary undertaking is The Leigh CTC Enterprises Company Limited, which is incorporated in England.

The principal activity of the subsidiary is the letting of leisure and social facilities to the public. The accounts of the subsidiary for the year ended 31 August 1997 show a net surplus in Shareholders Funds of £1,944 and a profit for the year of £1,313.

The investment is included in the balance sheet at cost and consolidated accounts have not been prepared as, in the opinion of the Governors, the subsidiary is not material.

12	DEBTORS	<u>1997</u> £	<u>1996</u> £
	Due within one year:		
	Department for Education and Employment - Capital Grant	322,700	-
	- Other Grant	13,700	-
	Other debtors	18,756	39,458
		<hr/> 355,156	<hr/> 39,458

THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997

13	CREDITORS		<u>1997</u> £	<u>1996</u> £	
	Amounts falling due within one year:		69,050	847	
	Taxation and social security		9,765	6,609	
	Amount due to subsidiary undertaking		134,928	171,680	
	Other creditors		<u> </u>	<u> </u>	
			<u>213,743</u>	<u>179,136</u>	
14	ACCRUALS				
	Capital expenditure		249,300	59,597	
	Sundry accruals		40,628	30,950	
			<u> </u>	<u> </u>	
			<u>289,928</u>	<u>90,547</u>	
15	PROVISIONS FOR LIABILITIES AND CHARGES				
		At <u>1 September 1996</u> £	Amount released £	At <u>31 August 1997</u> £	
	Maintenance provision	266,438	127,438	139,000	
		<u> </u>	<u> </u>	<u> </u>	
16	DEFERRED INCOME				
		Government grant £	Private sector capital sponsorship £	Recurrent Funding £	Total £
	At 1 September 1996	8,508,404	1,600,039	509,127	10,617,570
	Received during the year	379,100	-	-	379,100
	Transfer from Income and Expenditure Account	-	-	143,050	143,050
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 August, 1997	<u>8,887,504</u>	<u>1,600,039</u>	<u>652,177</u>	<u>11,139,720</u>
	AMORTISATION				
	At 1 September 1996				(2,413,332)
	Transfer from Income and Expenditure Account				(335,253)
					<u> </u>
	At 31 August, 1997				<u>8,391,135</u>

**THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997**

17 RESTRICTED FUNDS

The income funds of the College comprise the following balances of grants to be applied for specific purposes.

	<u>At</u> <u>1 September 1996</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Expenditure</u> <u>gains, losses</u> <u>& Transfers</u> £	<u>At</u> <u>31 August 1997</u> £
Annual per capita grant	(456,496)	3,731,264	(3,739,413)	(465,095)
Earmarked Annual Grant school meals	-	69,226	(69,226)	-
General National Vocational Qualification				
- Pilot Scheme	(383)	28,000	(15,360)	12,257
Other grants	4,727	95,031	(95,031)	4,727
	<u>(452,152)</u>	<u>3,923,521</u>	<u>(3,919,030)</u>	<u>(447,661)</u>
Movement in year				<u>4,491</u>

18 UNRESTRICTED FUNDS

The income funds of the College include unrestricted funds, which are available for general purposes at the discretion of the Governors.

	<u>At</u> <u>1 September 1996</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Expenditure</u> <u>gains, losses</u> <u>& Transfers</u> £	<u>At</u> <u>31 August 1997</u> £
Other funds - non grant	603,206	76,773	53,875	626,104
Movement in year				<u>22,898</u>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted</u> <u>funds</u> £	<u>Restricted</u> <u>funds</u> £	<u>Deferred</u> <u>income</u> £	<u>Total</u> £
Tangible assets	-	-	8,391,135	8,391,135
Investments	100,002	-	-	100,002
Current Assets	526,102	191,010	-	717,112
Current liabilities	-	(499,671)	-	(499,671)
Non-current liabilities	-	(139,000)	-	(139,000)
Deferred income	-	-	(8,391,135)	(8,391,135)
	<u>626,104</u>	<u>(447,661)</u>	<u>-</u>	<u>178,443</u>

20 CAPITAL COMMITMENTS

	<u>1997</u> £	<u>1996</u> £
Authorised by the Governors and contracted for but not provided for in the accounts	NIL	NIL

**THE LEIGH CITY TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1997**

21 CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant was received, the College shall, if it does not re-invest the proceeds, repay to the Secretary of State for Education and Employment the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the College serving notice, the College shall repay to the Secretary of State sums determined by reference to:

- a) the value at the time of the College's site and premises and other assets held for the purpose of the College;
and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

THE LEIGH CITY TECHNOLOGY COLLEGE
DETAILED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 1997

MANAGEMENT
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SCHEDULE

INCOME	<u>1997</u> £	<u>1996</u> £
ANNUAL PER CAPITA GRANT	3,731,264	3,662,753
OTHER DfEE GRANTS		
Earmarked Annual Grant - School meals	69,226	79,233
General National Vocational Qualification - Pilot Scheme	28,000	15,000
	<u>97,226</u>	<u>94,233</u>
OTHER GRANTS		
Kent County Council - Hearing Impaired Unit	95,031	96,115
	<u>1,587</u>	<u>332</u>
PRIVATE SECTOR SPONSORSHIP		
INTEREST RECEIVED AND OTHER INCOME		
Interest received		
Bank	24,795	38,261
From subsidiary undertaking	8,000	6,750
	<u>32,795</u>	<u>45,011</u>
North West Kent Teacher Trainers	4,948	9,200
Sundry sale of equipment	-	60
Rent received		
Caretakers premises	1,928	2,652
Milestone	2,049	5,980
Transport	29,379	-
Other	4,087	396
	<u>75,186</u>	<u>63,299</u>
AMORTISATION OF DEFERRED INCOME	335,253	347,571
TOTAL INCOME	<u><u>4,335,547</u></u>	<u><u>4,264,303</u></u>

**THE LEIGH CITY TECHNOLOGY COLLEGE
DETAILED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 1997**

**MANAGEMENT
INFORMATION
SCHEDULE**

EXPENDITURE	<u>1997</u> £	<u>1996</u> £
ANNUAL PER CAPITA GRANT EXPENDITURE		
Staff costs:		
Teaching	2,551,731	2,548,300
Educational support	195,754	167,743
Administration & clerical	228,800	224,036
Catering staff	1,065	2,279
Midday supervision	3,495	-
Redundancy payments	108,006	-
	<hr/>	<hr/>
Total Annual Per Capita Grant staff costs	3,088,851	2,942,358
	<hr/>	<hr/>
Maintenance of premises		
Building and plant	83,153	88,280
Grounds	25,617	22,031
Less: Released from maintenance provision	(96,921)	-
	<hr/>	<hr/>
	11,849	110,311
	<hr/>	<hr/>
Other occupancy costs		
Rates	34,034	24,821
Electricity, Fuel and Gas	74,259	70,768
Insurance	43,434	39,647
Cleaning and waste disposal	66,606	67,139
Security	8,348	37,883
Telephones	18,076	17,733
	<hr/>	<hr/>
	244,757	257,991
	<hr/>	<hr/>
Educational supplies & services:		
Books and videos	41,250	33,056
Educational equipment	32,071	33,038
Printing and materials	49,189	45,597
Examination fees	50,578	44,463
Other	3,992	1,073
	<hr/>	<hr/>
	177,080	157,227
	<hr/>	<hr/>

**THE LEIGH CITY TECHNOLOGY COLLEGE
DETAILED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 1997**

**MANAGEMENT
INFORMATION
SCHEDULE**

EXPENDITURE	<u>1997</u> £	<u>1996</u> £
ANNUAL PER CAPITA GRANT EXPENDITURE (continued)		
Other supplies & services		
Legal and professional fees	32,341	10,282
Accounting and audit fees	9,326	17,850
Bank interest & charges	-	(122)
Pupil recruitment	551	1,880
Pupil support	28,016	19,189
Other	1,227	8,855
	<hr/> 71,461 <hr/>	<hr/> 57,934 <hr/>
Technology costs (not capitalised)		
Hardware	48,986	13,593
Software	15,155	15,760
Consumables	14,527	17,883
Less: Released from maintenance provision	(30,517)	-
	<hr/> 48,151 <hr/>	<hr/> 47,236 <hr/>
Staff Development	<hr/> 30,455 <hr/>	<hr/> 38,001 <hr/>
Other Annual Per Capita Grant Expenditure:		
Transfer in respect of capital expenditure	143,050	96,247
Other	71,625	31,177
	<hr/> 214,675 <hr/>	<hr/> 127,424 <hr/>
TOTAL ANNUAL PER CAPITA GRANT EXPENDITURE	<hr/> <u>3,887,279</u> <hr/>	<hr/> <u>3,738,482</u> <hr/>
OTHER GRANT RELATED EXPENDITURE		
Earmarked Annual Grant - School Meals	62,798	79,233
	<hr/>	<hr/>
OTHER DfEE GRANT RELATED EXPENDITURE		
General National Vocational Qualification Course	15,360	15,383
	<hr/>	<hr/>
	<hr/> 15,360 <hr/>	<hr/> 15,383 <hr/>
DEPRECIATION OF TANGIBLE FIXED ASSETS	<hr/> 335,253 <hr/>	<hr/> 347,571 <hr/>
OTHER EXPENDITURE	<hr/> 7,468 <hr/>	<hr/> 28,944 <hr/>
TOTAL EXPENDITURE	<hr/> <u>4,308,158</u> <hr/>	<hr/> <u>4,209,613</u> <hr/>