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**Cothill Educational Trust**

**Registered Company Number: 961616**

**Registered Charity Number: 309639**

WENN TOWNSEND

**Accounts  
for the year ended  
31st August 2010**

**Wenn Townsend  
Chartered Accountants  
Oxford**

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**Cothill Educational Trust**  
**Report of the Trustees**  
**for the year ended 31st August 2010**

**Reference and Administrative Details**

<b>Trustees</b>	The Right Hon Lord Wakeham D L (Chairman) Sir Henry Aubrey-Fletcher, Bt DL R M Bailey (retired 7th December 2009) C J Cazalet P M Cook A D Darroch Mrs P G Fernera H H Judge R Hayward (appointed 7th December 2009) G P F Inge J Marriage Lady Poltimore A D Richardson J R Royds D R W Silk CBE Dr M S Spurr R P Taylor Dr R D Townsend The Hon Nigel Turner
<b>Secretary</b>	S P Blackmore
<b>Principal:</b>	A D Richardson
<b>Registered Office</b>	Cothill House Nr Abingdon
<b>Company Number:</b>	961616
<b>Charity Number:</b>	309639
<b>Auditor</b>	Wenn Townsend Chartered Accountants and Statutory Auditor Oxford
<b>Bankers</b>	Barclays Bank plc Oxford
<b>Solicitors</b>	Veale Wasbrough Bristol

**Cothill Educational Trust**  
**Report of the Trustees**  
**for the year ended 31st August 2010**

**Structure, governance and management**

The Cothill Educational Trust incorporates seven distinct and separate schools Cothill House (All boys boarding 8 - 13+), Chandlings (Co-educational day nursery - 11+), Kitebrook House (Co-educational day nursery - 8+, day and boarding 8 - 13+), Sauveterre (Co-educational boarding in France, 11 - 13+), Mowden Hall School (Co-educational day nursery 3-13+, Co-educational boarding 8-13+, The Old Malthouse (week long co-educational science courses for children aged 10-13) and, from 1st September 2009, Ashdown House (co-educational day and boarding 7-13+) The Directors, who are also the Trustees of the charity present their report and accounts for the year ended 31st August 2010

**Charitable and company status**

Cothill Educational Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each The membership at 31st August 2010 was 18 (2009 18) The Educational Trust is governed by the Memorandum and Articles of the company

**Trustees**

The Trustees are listed on page 1 There has been 1 appointment and 1 retirement since 31st August 2009 The Trustees meet at least three times a year and assume governance for each school in the Trust Each school has a Head Teacher responsible for the day to day running Regular management meetings are held between The Head Teachers, The Trust Bursar and The Principal The Trustees entrust the coordination of management for the Trust's schools to the Principal

The Trust has a policy of recruiting Trustees with specialist skills and a knowledge of the Trust's objectives They are appointed in accordance with the Memorandum and Articles of Association

**Trustees induction and training**

Trustees are briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes and business plan and recent performance of the charity Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role

**Risk management**

The board continues to keep the Trust's activities under review They have considered the major risks that may arise from time to time The Trust has established systems which under normal conditions should allow these risks to be mitigated to an acceptable level in its day to day operations Risk and Performance Assessments are carried out on an annual basis Where weaknesses are found, appropriate measures are taken and, if necessary, further training is arranged

**Objectives and activities**

The principal activity of the Trust is that of Education

The aim of the Trust is to provide first class preparatory education to children to the age of 14 through a mix of day and boarding, co-educational and single sex schools The Trust believes in strength through partnership and the development of individuality, which extends parental options and enables the right choice to be made for each child

Involvement with local primary schools through the provision of teaching, shared facilities and specialist services is a further important aspect of the Trust's commitment to Education

Each school including Sauveterre retains its own name and preserves its own identity, while the Trust provides support and expertise in the encouragement of all that is special and particular to each

## **Cothill Educational Trust**

### **Report of the Trustees (continued) for the year ended 31st August 2010**

#### **Public benefit**

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties

#### **Financial**

- The Cothill Educational Trust has educated 1,103 children at nil cost to the state thereby saving the public purse in excess of £4 5m
- The Trust is actively creating a scientific study centre on the Dorset coast in close collaboration with the Natural History Museum. Once The Old Malthouse is fully functional it is anticipated that pupils from non-fee paying schools will have access to all the benefits this short stay facility will have to offer. The Trust has played a significant role in 'rescuing' its neighbouring County Primary School, St Georges, from closure by granting it access (at no charge) to the Trust's extensive outdoor facilities at The Old Malthouse
- The Trust supported 19 pupils with music bursaries, in recognition of ability, 77 families received financial help during the year due to hardship. Without this help the children would not have been able to continue their education at the school
- Fees are reduced where there is more than one child from the same family. 281 children benefited from this scheme
- No fees are charged to pupils at Dry Sandford County Primary School who receive the benefit of a full-time Special Needs teacher and related services paid for by the Trust. This equates to 105 bursaries with an estimated value of £100k

#### **Educational**

- The independent sector as a whole provides excellence in "challenging subjects"
- While nationally the numbers of children studying languages has declined, the Trust continues to teach all children modern foreign languages (French, Spanish and Mandarin) as well as Latin
- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good
- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks, including Dry Sandford County Primary School where national CVA scores are significantly higher than the national value
- The Trust uses its own resources to recruit people into the teaching profession, then to induct and train them. 7 teachers were actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish

#### **General**

- The Trust's school sites provide facilities for local functions including village council meetings, carol services and church and village fetes. The premises are used by the Fire Brigade for fire and rescue practice on a regular basis

#### **Wider community**

- The Trust is constantly seeking new ways in which to deliver its Charitable Objects to a young public without regard to wealth, race, religion, social or academic status
- The Trust has developed links with the local primary schools. In particular, during the past year the Trust has provided the following without charge. A full-time special needs teacher and guitar teacher to Dry Sandford County Primary School, fully supported by all the necessary resources

## **Cothill Educational Trust**

### **Report of the Trustees (continued) for the year ended 31st August 2010**

#### **Public benefit (continued)**

##### **Wider community (continued)**

- The Principal and Bursar of the Trust spend a proportion of their working time in the support of charities that specifically relate to the objects of the Trust. For example, the Trust has also developed links with a local Oxfordshire charity "See Saw" which provides specialist support for bereaved young. This ensures that our commitment is local and focused on an age group that corresponds with those that we care for and educate in our schools. Help has been both financial and practical.
- The schools take an active part in local church life and support them financially. The Churches provide places of worship for youngsters which would otherwise be closed or sold off by the Diocesan Authorities.
- Many contacts have been made with the neighbouring school and community in France, especially in the sporting arena. The Cothill choir has become well known for its annual tour throughout the region, giving concerts without charge.

#### **Achievements and performance**

Cothill Educational Trust applied its income received during the year to the costs of operating schools at Cothill House, Chandlings, Kitebrook House, Mowden Hall, Ashdown House and The Old Malthouse in England and Sauveterre in France.

During 2010 the pupils at all five operating schools achieved good standards across the curriculum and did well in Common Entrance and Scholarship examinations.

86 Trust pupils spent a term at the Trust's Chateau (Sauveterre) in France providing the unique opportunity of learning a language in its native context but within the framework of an English school.

#### **Pupil numbers**

Cothill's average number of boarding pupils for the year was 242 a term (2009 260)

Chandlings average number of day pupils for the year was 381 a term (2009 399) and 51 children attended the nursery (2009 28)

Kitebrook's average number of pupils for the year was 84 a term (2009 93)

Mowden's average number of pupils for the year was 164 a term (2009 162)

Ashdown's average number of pupils for the year was 147

106 external pupils visited Sauveterre in South West France for a term in 2010 (2009 111)

#### **Financial results**

The results for the year are shown in the income and expenditure account on page 8

The Trust has continued to grow and invest in new educational projects. The Trust produced a small deficit for the year of £89k (2009 £48k surplus)

Payroll costs, which represent 68% of expenditure were within forecast  
£659k was spent on the repair and maintenance of the seven Trust properties

## Cothill Educational Trust

### Report of the Trustees (continued) for the year ended 31st August 2010

#### Fixed assets

Changes in fixed assets during the year are set out in the notes to the accounts as follows

Tangible fixed assets	- note 13
Land and buildings	- note 14

The Trustees consider that the market value of freehold land and buildings is in excess of the amount shown in the accounts. However, as these assets are used in the Trust's activities and no disposals are envisaged, this excess has not been quantified.

#### Employee policies

Employment policies are designed to respect employee's human rights and to ensure equal opportunity and promote diversity. Employees are actively encouraged to undertake relevant training, and staff appraisals are conducted with individual employees. The policy of the Trust with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment.

#### Financial review

##### Reserves policy

The Trustees are currently borrowing to invest in the development of the Trust, funding interest and loan repayments out of current income. The improvements and modernisation are planned to cope with the development of its schools over the next few years. The long term aim is to increase reserves such that the Trust is not dependent on borrowing. The Trust has no free reserves (unrestricted reserves less tangible fixed assets and commitments) and it is not anticipated that free reserves will be available in the next five years. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and then for a further three years, with the object of scheduling major expenditure as early as possible.

##### Investment policy

The Trust holds no permanent endowment but any temporary surplus cash is held on short term deposits to secure a high rate of interest.

#### Plans for future periods

The Trust will continue with its principal objective to achieve excellence in the educational development of the whole child. The Trust is committed to playing an active role in the wider community. Further, the Trust will continue to seek opportunities for strategic acquisitions and mergers with other similar educational establishments in order to fulfil its objectives. La Chaumière de Sauveterre was acquired and developed by the Trust in 2010, with short French experience courses for 8/9 year old children starting from 1st September 2010.

## **Cothill Educational Trust**

### **Report of the Trustees (continued) for the year ended 31st August 2010**

#### **Statement of Trustees responsibilities**

The Trustees (who are also directors of Cothill Educational Trust for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 presume that the charitable company will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Auditors**

Wenn Townsend have agreed to offer themselves for re-appointment as auditors of the Trust. A resolution to reappoint the auditors will be proposed at the annual general meeting.

Signed on behalf of the Board

8th December 2010

A D RICHARDSON

## Cothill Educational Trust

### Independent Auditor's Report to the members of Cothill Educational Trust Limited

We have audited the financial statements of Cothill Educational Trust Limited for the year ended 31st August 2010 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 accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditors

The Trustees' (who are also the directors of Cothill Educational Trust for the purposes of company law) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view are set out in the Statement of Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosure of Trustees remuneration specified by law are not made.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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 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 charitable company's affairs as at 31st August 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees Annual Report is consistent with the financial statements.

  
Mrs Deborah Pluck FCA (Senior Statutory Auditor)

For and on behalf of Wenn Townsend

Chartered Accountants

Oxford

8th December 2010



**Cothill Educational Trust**

**Statement of Financial Activities (including income and expenditure account)  
for the year ended 31st August 2010**

		<b>Unrestricted Funds</b>	<b>Restricted Fund</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>Note</b>				
<b>Incoming resources</b>					
<b>Income from charitable activities</b>					
Fees	3	14,882,919	-	14,882,919	12,292,390
Other educational income	4	774,303	-	774,303	700,780
Ancillary income	5	21,754	-	21,754	15,913
<b>Incoming resources from generated funds</b>					
Investment income	6	486	-	486	9,361
Donations		35,596	16,425	52,021	30,888
<b>Total incoming resources</b>		<b>£ 15,715,058</b>	<b>16,425</b>	<b>15,731,483</b>	<b>13,049,332</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Overdraft and loan interest		17,154	-	17,154	9,759
Fee composition discount		58,519	-	58,519	42,664
		<b>75,673</b>	<b>-</b>	<b>75,673</b>	<b>52,423</b>
<b>Charitable activities</b>					
School running costs	7	15,694,413	7,700	15,702,113	12,905,281
<b>Governance costs</b>	8	<b>42,932</b>	<b>-</b>	<b>42,932</b>	<b>43,474</b>
<b>Total resources expended</b>		<b>15,813,018</b>	<b>7,700</b>	<b>15,820,718</b>	<b>13,001,178</b>
<b>Net (resources expenses)/ incoming resources</b>		<b>(97,960)</b>	<b>8,725</b>	<b>(89,235)</b>	<b>48,154</b>
Gain on merger	25	4,578,906	-	4,578,906	262,492
<b>Net movement in funds</b>		<b>4,480,946</b>	<b>8,725</b>	<b>4,489,671</b>	<b>310,646</b>
As at 1st September 2009		<b>7,362,403</b>	<b>-</b>	<b>7,362,403</b>	<b>7,051,757</b>
As at 31st August 2010		<b>£11,843,349</b>	<b>£ 8,725</b>	<b>£11,852,074</b>	<b>£ 7,362,403</b>

All amounts are derived from continuing activities

All gains and losses recognised in the year are included in the Statement of Financial Activities

## Cothill Educational Trust

Balance Sheet  
31st August 2010

2009

	Note		
<b>Fixed assets</b>			
Tangible assets	13	17,346,549	11,455,774
Investments	15	-	-
		<u>17,346,549</u>	<u>11,455,774</u>
<b>Current assets</b>			
Stock	16	21,492	26,426
Debtors	17	779,839	347,653
Cash at bank and in hand		34,400	9,598
		<u>835,731</u>	<u>383,677</u>
<b>Creditors</b> Amounts falling due within one year	18	(5,615,304)	(3,525,550)
<b>Net current liabilities</b>		<u>(4,779,573)</u>	<u>(3,141,873)</u>
<b>Total assets less current liabilities</b>		<u>12,566,976</u>	<u>8,313,901</u>
<b>Creditors</b> Amounts falling due after one year	19	(714,902)	(951,498)
<b>Net assets</b>		<u><u>£11,852,074</u></u>	<u><u>£ 7,362,403</u></u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
Revaluation reserve	21	81,195	90,216
Income and expenditure account	21	11,762,154	7,272,187
		<u>11,843,349</u>	<u>7,362,403</u>
<b>Restricted funds</b>			
Restricted donations	21	8,725	-
		<u>£11,852,074</u>	<u>£ 7,362,403</u>

On behalf of the Board



Lord Wakeham

8th December 2010

# Cothill Educational Trust

## Cash Flow Statement for the year ended 31st August 2010

### Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities:

	2010	2009
Net (resources expended)/incoming resources	(89,235)	48,154
Interest charged	75,673	52,423
Interest receivable	(486)	(9,361)
Depreciation	784,621	543,584
Loss on disposal of fixed assets	10,433	-
Decrease in stocks	10,634	9,749
Increase in debtors	(347,090)	(4,793)
Increase in creditors	970,021	(33,385)
New fees in advance	363,765	949,695
Fees in advance applied in year	(912,640)	(639,570)

### Cash flow statement

Net cash inflow from operating activities	865,696	916,496
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### Returns on investments and servicing of finance:

Interest paid	(17,154)	(9,759)
Interest received	486	9,361
	(16,668)	(398)

### Capital expenditure:

Payments to acquire tangible fixed assets	(1,713,883)	(1,026,452)
Receipts from sale of tangible fixed assets	15,000	-
	(1,698,883)	(1,026,452)

### Acquisitions:

Loan balance paid on merger	-	(558,576)
Net cash acquired on merger	239,347	(72,235)
	239,347	(630,811)

### Financing:

Repayment of loans	(32,100)	(32,100)
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### Decrease in cash

£ (642,608)	£ (773,265)
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### Reconciliation of net cash flow to movement in net debt

Decrease in cash in the year	(642,608)	(773,265)
Cash repaying loans	32,100	32,100
Change in net debt	(610,508)	(741,165)
Net debt at 1st September 2009	(1,447,386)	(706,221)
Net debt at 31st August 2010	£(2,057,894)	£ (1,447,386)

### Analysis of changes in net debt

	At 1st September 2009	Cash Flow	At 31st August 2010
Cash at bank and in hand	9,598	24,802	34,400
Overdrafts	(1,403,484)	(667,410)	(2,070,894)
	(1,393,886)	(642,608)	(2,036,494)
Debt due within one year	(32,100)	10,700	(21,400)
Debt due after one year	(21,400)	21,400	-
	£(1,447,386)	£ (610,508)	£(2,057,894)

**Cothill Educational Trust**  
**Notes to the Accounts**  
**for the year ended 31st August 2010**

**1. Accounting policies**

**Basis of preparation**

The accounts have been prepared on an accruals basis and under the historical cost accounting convention as modified by the revaluation of certain fixed assets on 23rd March 1982. They are also prepared under applicable accounting standards, with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005, and in accordance with the Companies Act 2006.

**Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

**Incoming resources**

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**Resources expended**

All expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with administration of the Charity as a legal entity and are not connected with generating income or charitable expenditure.

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to expenditure.

**Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised and included at cost.

Depreciation of fixed assets is provided, at the following rates, in order to write off the assets over their estimated useful lives:

Freehold land	Nil
Freehold buildings	2-4% Straight line
Assets under the course of construction	Nil
Computer equipment	33 33% Straight line
Other equipment, fixtures and fittings	15% Reducing balance
Vehicles	25% Reducing balance

Profits or losses arising on the disposal of fixed assets are adjusted in the depreciation charge for the year. An amount equal to the excess of the annual depreciation charge on assets revalued in 1995 over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the accumulated income and expenditure account. The Trust has taken advantage of the transitional provisions of FRS 15 to freeze the valuation of the Trust's freehold properties as at the value at 31st August 2000, any subsequent additions being included at cost.

**Investments**

Investments are stated at cost less provision for any diminution in value.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

# Cothill Educational Trust

## Notes to the Accounts (continued) for the year ended 31st August 2010

### 1. Accounting policies (continued)

#### Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. Transactions during the year are translated at an average rate. Foreign exchange differences are taken to the profit and loss account.

#### Pension costs

Pension costs represent contributions under the DES Teachers' Pension Scheme and a defined contribution scheme (I A P S). The Teachers' Pension Scheme, operated by the Teachers' Pension Agency, is specifically for teaching staff. It is an unfunded defined benefit scheme providing benefits based on final pensionable salary. The scheme funds are valued every five years by the Government Actuary who determines the approximate level of contributions. The contributions to The Teachers' Pension Scheme and to the defined contribution scheme are charged to income and expenditure as they become payable. The cost of pensions is thus recognised during the employees' working lives at the school.

#### Finance leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

#### Operating leases

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against surpluses as incurred.

#### Fund accounting

Unrestricted funds consist of a general fund which the trustees may use, for the furtherance of the objects of the Charity at their discretion.

Restricted funds are subject to specific conditions imposed by the donor or by the terms of an appeal, these conditions being legally binding upon the Trustees.

#### Group accounts

The Charity does not prepare group accounts as its subsidiary company (Mowden Hall Estates Limited) has not traded during the year, and its results are immaterial to the group.

### 2. Turnover

In the opinion of the Trustees, none of the turnover of the Trust is attributable to geographical markets outside the EU (2009: £nil).

### 3. School fees

	2010	2009
Fees	15,747,433	12,912,145
Discounts and awards	(864,514)	(619,755)
	<u>£14,882,919</u>	<u>£12,292,390</u>

**Cothill Educational Trust**

**Notes to the Accounts (continued)  
for the year ended 31st August 2010**

**4. Other educational income**

	<b>2010</b>	<b>2009</b>
Music tuition and associated income	328,741	324,561
Extra tuition	156,592	129,171
Other extras income	76,790	83,113
Income from Sauveterre	122,700	59,765
Occasional boarding and summer lets	53,308	47,626
Registration fees	25,500	21,050
Fees in lieu of notice	10,672	35,494
	<u>£ 774,303</u>	<u>£ 700,780</u>

**5. Ancillary income**

	<b>2010</b>	<b>2009</b>
School fee insurance	4,605	6,965
Denplan insurance	390	342
Other income	16,759	8,606
	<u>£ 21,754</u>	<u>£ 15,913</u>

**6. Investment income**

	<b>2010</b>	<b>2009</b>
Bank interest receivable	<u>£ 486</u>	<u>£ 9,361</u>

**7. Charitable activities**

	<b>Staff costs</b>	<b>Other costs</b>	<b>2010 Total</b>	<b>2009 Total</b>
Teaching	7,598,088	965,450	8,563,538	7,163,305
Welfare	1,861,335	1,170,063	3,031,398	2,292,030
Premises	313,013	2,296,644	2,609,657	2,094,233
Support costs of schooling	952,864	544,656	1,497,520	1,355,713
	<u>£10,725,300</u>	<u>£4,976,813</u>	<u>£15,702,113</u>	<u>£ 12,905,281</u>

The major components of support costs include -

	<b>2010</b>	<b>2009</b>
Administrative staff costs	952,864	864,108
Postage, stationery, telephone and other administrative costs	312,829	329,421
Advertising for staff and promotion	57,470	56,044
Bad debts	22,910	14,843
Legal and professional fees	126,615	63,968
Bank charges	9,590	16,050
Office depreciation	15,242	11,279
	<u>£ 1,497,520</u>	<u>£ 1,355,713</u>

# **Cothill Educational Trust**

## **Notes to the Accounts (continued) for the year ended 31st August 2010**

### **8. Governance costs**

	Staff costs	Other costs	2010 Total	2009 Total
Staff	20,208	-	20,208	22,464
Audit	-	20,250	20,250	19,286
Other	-	2,474	2,474	1,724
	<u>£ 20,208</u>	<u>£ 22,724</u>	<u>£ 42,932</u>	<u>£ 43,474</u>

### **9 Staff costs**

	2010	2009
<b>Staff costs</b>		
Wages and salaries	9,067,007	7,539,543
Social security costs	856,050	733,050
Pensions - Teachers Pension Scheme	708,751	588,849
- Defined contribution scheme	113,700	77,784
	<u>822,451</u>	<u>666,633</u>
	<u>£10,745,508</u>	<u>£ 8,939,226</u>

Cothill Educational Trust participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the company.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1st April 2001 to 31st March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1st January 2007, as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations), a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable. The valuation of the Scheme by the Government Actuary as at 31st March 2008 is expected to be issued in the future.

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the Teachers' Pension Scheme is a multi-employer scheme and, as such, the charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has taken advantage of the exemption in FRS 17 and has accounted for its contributions as if it were a defined contribution scheme.

Contributions totalling £83,933 (2009: £61,765) were outstanding at the year end date.

# Cothill Educational Trust

## Notes to the Accounts (continued) for the year ended 31st August 2010

### 9. Staff costs (continued)

	Number	Number
<b>Average number employed including Trustees:</b>		
Trustees	18	18
Teachers	262	249
Household	158	144
Office	33	22
	<u>471</u>	<u>433</u>
<b>Number of employees earning within the following bands:</b>		
£ 60,001 - £ 70,000	4	-
£ 70,001 - £ 80,000	1	2
£ 80,001 - £ 90,000	1	2
	<u>6</u>	<u>4</u>

#### Trustees related party remuneration

Trustees receive no remuneration nor reimbursement of expenses for their services as Trustees. The principal, who is a Trustee, is remunerated for the work he carries out on behalf of the Trust.

	2010	2009
Trustees emoluments	<u>£ 82,375</u>	<u>£ 82,855</u>

### 10. Deferred income

During the year fees amounting to £403,505 (2009 £949,695) were received in advance for students for future years. An additional creditor of £371,076 was obtained on the merger with Ashdown relating to fees paid in advance. Of this, £39,740 was returned in the year. Fees released to income amounted to £912,640 (2009 £639,570).

All amounts owing at 31st August 2010 are shown as liabilities in notes 18 and 19.

### 11. Net (resources expended)/incoming resources

		2010 £	2009 £
<b>Results for the year are stated after charging:</b>			
Depreciation	owned assets	782,568	541,568
	leased assets	2,053	2,016
Auditors fees	audit work	20,208	19,286
	non-audit work	43,729	44,875
Operating leases	equipment	38,564	74,658
	motor vehicles	46,099	45,038
Net gain on foreign currency translations		<u>1,390</u>	<u>783</u>



**Cothill Educational Trust**  
**Notes to the Accounts (continued)**  
**for the year ended 31st August 2010**

**12. Taxation**

The Trust has no liability for taxation

**13. Tangible fixed assets**

	<b>Vehicles</b>	<b>Computers</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Freehold Land and Buildings</b>	<b>Assets under the course of construction</b>	<b>Total</b>
1st September 2009	139,962	39,307	1,184,659	13,983,659	848,903	16,196,490
Transfer to land & buildings	-	-	-	595,843	(595,843)	-
Assets obtained on merger	119,761	94,636	868,581	6,257,729	-	7,340,707
Additions	31,195	12,327	195,939	1,400,987	73,435	1,713,883
Disposals	(25,000)	(30,198)	-	-	-	(55,198)
31st August 2010	<u>£ 265,918</u>	<u>116,072</u>	<u>2,249,179</u>	<u>22,238,218</u>	<u>326,495</u>	<u>25,195,882</u>
<b>Depreciation</b>						
1st September 2009	79,823	23,031	719,190	3,918,672	-	4,740,716
Brought in on merger	101,203	77,660	584,560	1,590,335	-	2,353,758
Charge for year	22,996	8,058	108,307	645,260	-	784,621
On disposal	(5,744)	(24,018)	-	-	-	(29,762)
31st August 2010	<u>£ 198,278</u>	<u>£ 84,731</u>	<u>£ 1,412,057</u>	<u>£ 6,154,267</u>	<u>-</u>	<u>£ 7,849,333</u>
<b>Net book value</b>						
31st August 2010	<u>£ 67,640</u>	<u>£ 31,341</u>	<u>£ 837,122</u>	<u>£16,083,951</u>	<u>£ 326,495</u>	<u>£17,346,549</u>
1st September 2009	<u>£ 60,139</u>	<u>£ 16,276</u>	<u>£ 465,469</u>	<u>£10,064,987</u>	<u>£ 848,903</u>	<u>£11,455,774</u>

Land and buildings includes freehold land of £2,648,602 that is not depreciated (2009 £2,632,602)

**14. Land and buildings**

	<b>2010</b>	<b>2009</b>
<b>Freehold land and buildings</b>		
Cost and valuation	22,564,713	14,832,562
Revalued amounts	<u>(225,531)</u>	<u>(225,531)</u>
Historical cost	22,339,182	14,607,031
Total depreciation	6,154,267	3,918,672
Depreciation on revalued amounts	<u>(144,336)</u>	<u>(135,315)</u>
Depreciation on historical cost	<u>(6,009,931)</u>	<u>(3,783,357)</u>
Historical cost net book value	<u>£16,329,251</u>	<u>£ 10,823,674</u>

# **Cothill Educational Trust**

## **Notes to the Accounts (continued) for the year ended 31st August 2010**

### **14. Land and buildings (continued)**

Freehold land and buildings include buildings revalued in 1995, and an asset of £73,779 previously shown as an investment

The Trust has taken advantage of the transitional provisions of FRS15 to freeze the valuation of its property as at the value at 31st August 2000, subsequent additions being included at cost

The Trustees consider that the market value of freehold land and buildings is in excess of the amount shown in the accounts. However, as these assets are used in the Trust's activities and no disposals are envisaged, this excess has not been quantified

<b>Future capital commitments</b>	<b>2010</b>	<b>2009</b>
Expenditure contracted for	£ 22,200	£ 3,385,000
Expenditure authorised, but contracts not place	£ 150,000	£ 524,000

### **15. Investments**

<b>Cost</b>	<b>Unlisted Investments</b>
At 1st September 2009 and at 31st August 2010	£ 1
<b>Provision against diminution of value</b>	
At 1st September 2009 and at 31st August 2010	£ 1
<b>Net book values</b>	
At 31st August 2010	£ -
At 31st August 2009	£ -

As part of the merger with Mowden Hall (Newton) School Trust Limited, the company obtained 100% of the allotted share capital of the following undertaking

	<b>Country of registration</b>	<b>Class of share capital held</b>	<b>Nature of business</b>	<b>Capital and reserves at 31st August 2010</b>	<b>Loss for year ended 31st August 2010</b>
Mowden Hall Estates Limited	England and Wales	Ordinary	Dormant	£ (967)	£ (12)

**Cothill Educational Trust**

**Notes to the Accounts (continued)  
for the year ended 31st August 2010**

**16. Stocks**

	<b>2010</b>	<b>2009</b>
Stock - consumables	£ 21,492	£ 26,426

**17. Debtors: amounts falling due within one year**

Trade debtors	474,139	179,110
Other debtors	19,190	15,252
Prepayments and accrued income	277,569	144,350
Amounts owed by group companies	8,941	8,941
	<u>£ 779,839</u>	<u>£ 347,653</u>

**18. Creditors: amounts falling due within one year**

Bank loans	21,400	32,100
Bank overdraft	2,070,894	1,403,484
Trade creditors	2,783,610	1,618,784
Other taxation and social security	191,350	156,302
Other creditors	99,681	71,659
Accruals and deferred income	448,369	243,221
	<u>£ 5,615,304</u>	<u>£ 3,525,550</u>

Trade creditors include £1,704,541 (2009 £818,763) in respect of fees received in advance for Autumn 2010 term, and £540,426 (2009 £424,613) for the rest of 2010/11. The bank loans and overdraft are secured - see note 20 for details.

**19. Creditors: amounts falling due after one year**

	<b>2010</b>	<b>2009</b>
Bank loans	-	21,400
Other creditors	714,902	930,098
	<u>£ 714,902</u>	<u>£ 951,498</u>

Other creditors include £351,946 (2009 £587,042) for fees received in advance for academic years 2011/12 onwards.

**Maturity of debt**

Other loans are also wholly repayable within five years by instalments.

# Cothill Educational Trust

## Notes to the Accounts (continued) for the year ended 31st August 2010

### 20. Bank overdraft and loans

The bank loan is repayable in instalments of £10,700 at four monthly intervals Interest is charged at a rate of Libor plus 1.25% The loan is wholly repayable within 5 years

The Trust has a revolving loan for £3m Interest is charged at a rate of Libor plus 2.05%

The Trust's bank borrowings are secured by a fixed charge over some of its UK freehold property

### 21. Funds

	Restricted donations fund	Revaluation reserve	Income and expenditure	Total 2010
At 1st September 2009	-	90,216	7,272,187	7,362,403
Introduced on merger	-	-	4,578,906	4,578,906
Retained for the year	8,725	-	(97,960)	(89,235)
Transfers between funds	-	(9,021)	9,021	-
At 31st August 2010	<u>£ 8,725</u>	<u>£ 81,195</u>	<u>£11,762,154</u>	<u>£11,852,074</u>

The restricted donations fund is composed of £4,000 donated by Oxford County Council under the Graduate Leader Fund for Early Years expenses, and £4,725 donated by Cothill leavers for a new sports shed

### 22. Analysis of net assets between funds

	Restricted donations fund	Revaluation reserve	Income and expenditure	Total 2010
Fund balances at 31st August are represented by				
Tangible fixed assets	-	81,195	17,265,354	17,346,549
Net current liabilities	8,725	-	(4,788,298)	(4,779,573)
Long term liabilities	-	-	(714,902)	(714,902)
	<u>£ 8,725</u>	<u>£ 81,195</u>	<u>£11,762,154</u>	<u>£11,852,074</u>

### 23. Related parties

Parent Trustees receive educational services on the same terms as all other parents

# Cothill Educational Trust

## Notes to the Accounts (continued) for the year ended 31st August 2010

### 24. Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following annual payments falling due in the year to 31st August 2011

Expiring

	2010	2009
Within one year	21,925	44,051
Within two and five years	63,901	40,612
	<u>£ 85,826</u>	<u>£ 84,663</u>

### 25. Merger

On 18th September 2009, Cothill Educational Trust merged with Ashdown House School Trust Limited (charity number 269929). The assets and liabilities of Ashdown House School Trust Limited were transferred into Cothill Educational Trust, as at that date.

The assets and liabilities of The Old Malthouse School Trust Limited (charity number 306317) were transferred into Cothill Educational Trust on the same basis in the year ended 31st August 2009.

### 26. Approval of accounts

These accounts were approved by the Trustees at a meeting held on 8th December 2010.