

COBHAM HALL  
(A Charitable Company Limited by Guarantee)

GOVERNORS' REPORT

AND

ACCOUNTS

YEAR ENDED 31 AUGUST 1998

MacINTYRE & CO  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
28 ELY PLACE  
LONDON, EC1N 6RL

Company Registered No: 686707  
Registered Charity No: 313650



GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 1998

STATUS AND ADMINISTRATION

Cobham Hall School was founded in 1962. The school is incorporated as a company limited by guarantee, number 686707 and is a registered charity number 313650.

GOVERNORS

The Governors, who are the Directors of the company and also the Charity Trustees and who, unless otherwise stated, served throughout the year were:-

Miss C Cawston (Chairman)  
The Earl of Darnley (Vice-Chairman)

Colonel P S Davis MBE BA Flmgt Dip Ed  
R Fawcett (Resigned 12 June 1998)  
D Lewis (Resigned 24 November 1998)  
R Mountford  
Mrs A Mustoe MA  
Mrs V Phillips

Mrs A Rottenburg  
G D Slaughter Esq MA,JP  
Jan Chr G Sundt MBA (Resigned 17 March 1998)  
C Sykes  
Mrs A Travis  
Mrs M P Wood, MA, M.Lit (Oxon)

OFFICERS AND ADVISORS

Headmistress : Mrs R J McCarthy BA

Bursar: N Powell

Bankers: National Westminster Bank Plc  
City of London Office  
1 Princess Street  
London EC2R 8PH

Auditors: MacIntyre & Co  
Chartered Accountants  
London  
EC1N 6RL

OBJECTS AND POLICY

Cobham Hall seeks to educate the whole person, by equipping each student with the knowledge and skills to make the most of the opportunities available to women in the modern world, and to contribute to the global community in which they live.

## GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 1998

## ORGANISATION

The Governors determine the general policy of the school. The day to day management of the school is delegated to the Headmistress and the Bursar.

## REVIEW

The company has continued to operate as an independent public school in membership of the Girls Schools Association.

## RESOURCES

The school assets are sufficient to meet the obligation of the school and are held for use by the school.

## YEAR 2000

A preliminary feasibility study of equipment and software has been performed to ensure that they can perform beyond the Year 2000. It is anticipated that the completion of the study, and any necessary action, will be carried out within the next twelve months.

## STATEMENT OF GOVERNORS RESPONSIBILITIES

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Governors are required to:

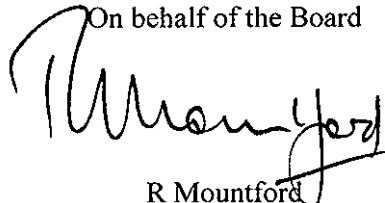
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors 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

The auditors MacIntyre & Co of 28 Ely Place, London EC1N 6RL have expressed their willingness to continue in office and a resolution to re-appoint them will be submitted to the Annual General Meeting.

Cobham Hall  
Cobham  
Kent  
DA12 3BL

On behalf of the Board  
  
R Mountford  
Governor

15 December 1998

AUDITORS REPORT TO THE MEMBERS OF  
TO THE MEMBERS OF COBHAM HALL

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As described on page 2 the company's governors 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.

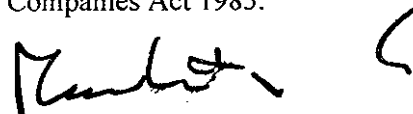
BASIS OF OPINION

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 the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1998 and of its incoming resources and application of resources including its income and expenditure during the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MacIntyre & Co  
Chartered Accountants  
Registered Auditors

28 Ely Place  
London  
EC1N 6RL

15 December 1998

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 1998

		Unrestricted Funds	
		Total	Total
		1998	1997
	Notes	£	£
<b>INCOMING RESOURCES</b>			
Fees receivable		1,920,543	1,763,840
Other tuition fees		62,954	70,337
Donations and other income		33,763	6,074
Lettings income	2	120,420	237,275
Registration fees		2,041	3,272
Interest receivable		18,625	21,471
Total Incoming Resources		2,158,346	2,102,269
<b>RESOURCES EXPENDED</b>			
Direct Charitable Expenditure	5		
Teaching costs		1,064,062	974,262
Welfare		309,664	290,134
Premises		595,559	572,135
School administration		346,039	276,425
		2,315,324	2,112,956
Other Expenditure	5		
Charity administration		24,129	28,870
Lettings expenditure	2	71,207	88,127
Finance and other costs		9,214	9,716
		104,550	126,713
Total Resources Expended	5	2,419,874	2,239,669
Net Outgoing Resources before Transfers		(261,528)	(137,400)
Transfer between funds		-	-
<b>Net Outgoing Resources</b>		(261,528)	(137,400)
Balance brought forward at 1 September 1997		1,653,047	1,790,447
<b>Balance carried forward at 1 August 1998</b>		£1,391,519	£1,613,047

A summary income and expenditure account has not been prepared as this information is given above.

The notes on pages 8 to 12 form part of these accounts.

## BALANCE SHEET

31 AUGUST 1998

	Notes	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible assets	6		2,026,016		2,087,498
Investment	2		100		100
			<hr/>		<hr/>
			2,026,116		2,087,598
<b>CURRENT ASSETS</b>					
Debtors-					
Fees and extras		635,672		571,038	
Other debtors, stocks and prepayments		56,472		104,690	
		<hr/>		<hr/>	
Total debtors		692,144		675,728	
Cash at bank and in hand		2,178		67,297	
		<hr/>		<hr/>	
		694,322		743,025	
<b>CREDITORS - due within one year</b>					
Bank		160,923		-	
Final term fee deposits		68,361		70,000	
Advance fee compositions		7,709		18,979	
Fees charged in advance		663,039		628,444	
Other creditors	7	233,714		213,544	
		<hr/>		<hr/>	
		1,133,746		930,967	
<b>NET CURRENT (LIABILITIES)</b>			(439,424)		(187,942)
			<hr/>		<hr/>
			1,586,692		1,899,656
<b>CREDITORS - due after more than one year</b>	8		(195,173)		(246,609)
			<hr/>		<hr/>
<b>TOTAL NET ASSETS</b>			£1,391,519		£1,653,047
			<hr/>		<hr/>
<b>UNRESTRICTED FUNDS</b>			£1,391,519		£1,653,047
			<hr/>		<hr/>

*C. Cawston*  
*R. Mountford*

Signed on behalf of the Board

C. CAWSTON

R. MOUNTFORD

)  
 ) GOVERNORS  
 )

15 December 1998

The accompanying notes are an integral part of this balance sheet.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 1998

	1998		1997	
	£	£	£	£
<b>Net cash flow from operating activities</b>				
Net outgoing resources		(261,528)		(137,400)
Depreciation		61,482		60,956
Interest received		(18,625)		(21,471)
Interest paid		3,477		3,670
Fixed assets written off		-		33,370
(Increase) in debtors		(16,416)		(36,055)
Increase in creditors		12,985		3,357
		<hr/>		<hr/>
		(218,625)		(93,573)
<b>Returns on investments and servicing of finance</b>				
Interest received	10,482		13,829	
Interest charged on late fees	8,143		7,642	
Mortgage interest paid	(142)		(335)	
Finance lease interest paid	(3,335)		(3,335)	
	<hr/>		<hr/>	
		15,148		17,801
<b>Capital expenditure</b>				
Purchase of tangible fixed assets		-		(9,556)
<b>Acquisitions and disposals</b>				
Investment in subsidiary company		-		-
		<hr/>		<hr/>
<b>Cash flow before use of liquid resources and financing</b>		(203,477)		(85,328)
<b>Financing</b>				
Repayment of long term loan	(2,706)		(2,706)	
Repayment of finance leases	(19,859)		(20,023)	
	<hr/>		<hr/>	
		(22,565)		(22,729)
		<hr/>		<hr/>
<b>Decrease in cash</b>		£(226,042)		£(108,057)
		<hr/>		<hr/>

## CASH FLOW STATEMENT (Continued)

FOR THE YEAR ENDED 31 AUGUST 1998

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT OF CASH LESS DEBT

	1998 £	1997 £
Decrease in cash in the year	(226,042)	(108,057)
Cash outflow from reduction in debt and lease financing	22,565	22,729
	<hr/>	<hr/>
Change in net debt resulting from cash flows	(203,477)	(85,328)
New finance leases	-	-
	<hr/>	<hr/>
Movement in net debt for the year	(203,477)	(85,328)
Cash less debt at 1 September 1997	25,374	110,702
	<hr/>	<hr/>
Cash less debt at 31 August 1998	£(178,103)	£ 25,374
	<hr/>	<hr/>

## ANALYSIS OF CASH LESS DEBT

	At 1 September 1997 £	Cash Flows £	Other Changes £	At 31 August 1998 £
Cash and bank	67,297	(226,042)	-	(158,745)
Mortgage	(5,412)	2,706	-	(2,706)
Finance leases	(36,511)	19,859	-	(16,652)
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 25,374	£(203,477)	£ -	£(178,103)
	<hr/>	<hr/>	<hr/>	<hr/>



## NOTES TO THE ACCOUNTS

YEAR ENDED 31 AUGUST 1998

## 1. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities". The particular accounting policies adopted are described below.

## a. Fee and Similar Income

Fees and charges receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarship, allowances and other remissions allowed by the school. Other tuition fees consist of extras charged to pupils.

## b. Assets

Fixed assets are shown on the balance sheet at cost less cumulative depreciation. Current assets are shown at the lower of cost and net realisable value.

## c. Depreciation

Depreciation is provided on permanent buildings at 1% on cost after allowing for estimated cost of land included in the original purchase (£5,283) and residual value of the property, estimated at twenty-five per cent of the cost of permanent buildings.

Depreciation is provided on other fixed assets to write off their cost over their estimated useful lives at the following rates:

Buildings of non-permanent construction	- 5% on cost
Furniture, fixtures and equipment	- 5% on cost
Computers	- 25% on cost
Motor vehicles	- 20% on cost

## d. Leases

Assets held under finance leases are included in fixed assets as total rental cost less finance charges. Finance charges are amortised over each lease term to give a constant rate of charge on the remaining balance sheet obligation. Rental costs under operating lease are charged to the income and expenditure account in equal annual amounts over the period of the lease.

## e. Pension Costs

The school operates defined contribution, externally funded pension schemes covering the majority of its employees. Contributions are charged against revenue as they fall due.

## f. Operating Lease Rentals

Rentals paid in respect of assets held under operating leases are charged to the revenue account as they fall due.

## NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

## 2. LETTINGS

Letting, income and expenditure of the school and trading company for the year was:

	1998 £	1997 £
Lettings income	120,420	237,275
Lettings expenditure	71,207	88,127
	<hr/>	<hr/>
Surplus	£ 49,213	£149,148
	<hr/>	<hr/>

## 3. RELATED PARTY AND INVESTMENT IN TRADING SUBSIDIARY COMPANY

The school owns the whole of the £100 share capital of Cobham Hall Enterprises Limited, company number 3032723, a trading subsidiary company having a principal activity of lettings and related services at Cobham Hall. All the company's profits are covenanted to the school so the company's assets less liabilities equals the share capital of £100.

The profit of the subsidiary company have been included in the school accounts (as shown in note 2 above). Consolidated accounts have not been prepared as they would have an immaterial effect on the overall accounts of the school.

The accounting year end of the subsidiary has been changed this year to the same date used by the school, so as to simplify administration. The change in the year end of the subsidiary has had no effect on the accounts of the school.

The trading results of the subsidiary company, as shown in its audited accounts for the 14 month period to 31 August 1998 and the 12 month period to 30 June 1997 were:

	1998 14 Months to 31 August £	1997 12 Months to 30 June £
Turnover	201,374	164,279
Cost of sales	92,776	61,031
	<hr/>	<hr/>
Interest receivable	108,598 1,260	103,248 1,341
	<hr/>	<hr/>
Gross profit	109,858	104,589
Administrative expenses	(1,278)	(2,155)
Auditors remuneration	(1,900)	(1,100)
	<hr/>	<hr/>
Operating profit	£106,680	£101,334
	<hr/>	<hr/>
Gross covenant payment	£(106,680)	£(101,334)
	<hr/>	<hr/>
Aggregate capital and reserves	£ 100	£ 100
	<hr/>	<hr/>

The company is registered in the United Kingdom

## NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

## 4. TAXATION

The company is a registered charity and no taxation is payable on its income.

## 5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total
	£	£	£	£
Direct Charitable Expenditure:				
Teaching costs	922,750	122,867	18,445	1,064,062
Welfare	207,386	102,278	-	309,664
Premises	251,019	301,503	43,037	595,559
School administration	191,801	154,238	-	346,039
Other Expenditure:				
Management and administration of the charity	-	24,129	-	24,129
Lettings expenditure	-	71,207	-	71,207
Finance and other costs	-	9,214	-	9,214
	<u>£1,572,956</u>	<u>£785,436</u>	<u>£ 61,482</u>	<u>£2,419,874</u>

Staff Costs:	1998	1997
	£	£
The aggregate staff costs during the year were:		
Salaries and wages	1,401,779	1,336,612
Social security costs	106,693	101,984
Other pension costs	64,484	60,176
	<u>£1,572,956</u>	<u>£1,498,772</u>

One employee received emoluments in the band of £40,000 to £50,000 in both 1998 and 1997.

The average weekly number of employees during the year was made up as follows:

	Full Time No	1998 Part Time No	1997 Total No	1997 Total No
Teaching	30	7	37	33
Other	38	23	61	62
	<u>68</u>	<u>30</u>	<u>98</u>	<u>95</u>

Direct charitable expenditure includes:

	1998	1997
	£	£
Operating lease rentals	10,646	8,872
Other expenditure includes:		
Auditors remuneration		
- Audit	14,452	14,570
- Other	3,000	4,905
	<u>17,452</u>	<u>19,475</u>

## NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

6. TANGIBLE FIXED ASSETS:	1998 £	1997 £
Freehold land and permanent buildings	1,741,102	1,755,460
Freehold buildings of non permanent construction	3,212	3,776
Furniture, fittings and equipment	239,755	265,936
Computers (included in furniture, fittings and equipment below)	41,947	62,323
Motor Vehicles	-	3
	<hr/>	<hr/>
Total Net Book Value	£2,026,016	£2,087,498
	<hr/>	<hr/>

The movement of tangible fixed assets were as follows

	Freehold land and permanent buildings £	Freehold buildings of non permanent construction £	Furniture, fixtures & equipment £	Motor Vehicles £
<b>COST</b>				
At 1 September 1997 and 31 August 1998	1,919,748	11,264	641,057	14,627
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 September 1997	164,288	7,488	312,798	14,624
Charge for the year	14,358	564	46,557	3
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1998	178,646	8,052	359,355	14,627
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 August 1998	£1,741,102	£ 3,212	£281,702	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

Computers with a net book value of £33,553 included in furniture, fixtures and equipment are held under a finance lease.

7. CREDITORS - due within one year	1998 £	1997 £
Other creditors		
Payroll taxes and social security costs	719	36,104
Other Creditors and accruals	145,278	84,875
Final term fee deposits	68,360	70,000
Finance lease obligations	9,623	12,831
Finance loan obligations	7,028	7,028
Mortgage	2,706	2,706
	<hr/>	<hr/>
	£233,714	£213,544
	<hr/>	<hr/>

A bank overdraft facility secured on the school property was available but not used during the year.

## NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 1998

8. CREDITORS - due after more than one year	1998 £	1997 £
Mortgage	-	2,706
Finance lease obligations	-	9,623
Finance loan obligations	-	7,028
Final term fee deposits	195,173	227,252
	<hr/>	<hr/>
	£195,173	£246,609
	<hr/>	<hr/>

## 9. PENSION SCHEMES

The company operates contributory pension schemes for substantially all staff. The schemes are administered by Teachers Pension for teachers and by insurance companies for non-teachers. The company's contribution for the year was £64,484 (1997 - £60,176). The contributions outstanding at the year end were £8,587 (1997 £5,226).

## 10. CAPITAL COMMITMENTS:

There were no commitments for future capital expenditure not provided for in these accounts.

	1998 £	1997 £
Contracted for	£ NIL	£ NIL
Authorised but not contracted for	£ NIL	£ NIL
	<hr/>	<hr/>

## 11. OPERATING LEASES

At 31 August 1998 the school had the following annual commitments under non cancellable operating leases:

	1998 £	1997 £
Operating leases which expire:		
In the second to fifth years	£ 10,646	£ 10,646
	<hr/>	<hr/>

## 12. GOVERNORS REMUNERATION AND EXPENSES

No remuneration or benefits were provided to any governors during the year other than the provision of governors' indemnity insurance to provide cover of £2,000,000. The premium was part of the public liability premium and is not separately identified.

Travel expenses to and from meetings of £1,143 (1997: £1,033) were reimbursed to 6 (1997: 6) governors during the year. No other payments were made to any governors.