

COBHAM HALL
(A Charitable Company Limited by Guarantee)

TRUSTEES' REPORT

AND

ACCOUNTS

YEAR ENDED 31 AUGUST 2007

haysmacintyre
Chartered Accountants
London

Company Registered No: 686707
Registered Charity No: 313650

THURSDAY



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COBHAM HALL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2007

TRUSTEES

The Trustees, who are the directors of the company and also form the Governing Body, unless otherwise stated, served throughout the year and to the date the report and accounts are signed were -

Mr C Sykes (Chairman from 6 December 2006) #, @, ~
The Earl of Darnley (Vice-Chairman) #, @, ~
Mrs T Balch RGN RSCN @, ~
Mr C Balch #
Ms P Bristow BScHons PGCE (London) @ (retired 5 December 2006)
Ms P Cook #
Mr J Dick # (appointed 25 September 2007)
Mrs L Ellis ~
Dr M Griffin @
Mr R Mountford #
Mr M Pennell #, ~ (appointed 25 September 2007)
Mrs A Travis Dip Sp LD (Hornsby) @ (retired 25 September 2007)
Mr Trelawny-Vernon BScHons @
Mr A Tuckwell MA (Oxon) DipEd MBA #, @

- members of the finance committee

@ - members of the education committee

~ - members of the general purposes committee

OFFICERS AND ADVISORS

Headmistress	Mrs H Davy MA
Bursar	Mr N Powell
Bankers:	National Westminster Bank Plc City of London Office 1 Princess Street London EC2R 8PH
Auditors:	haysmacintyre Chartered Accountants Fairfax House 15 Fulwood Place London WC1V 6AY
Solicitors:	Veale Wasborough Orchard Court Orchard Lane Bristol BS1 5WS
Insurance Brokers	HSBC Insurance Brokers Ltd Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

The Trustees present their annual report together with the accounts and auditors' report. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The financial statements comply with all statutory requirements and the requirements of the charity's governing document.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was founded in 1962 as a company limited by guarantee, number 686707 and is a registered charity number 313650.

The Charity ensures that its governance arrangements are appropriate and effective. Governance arrangements are regularly reviewed by the Charity Trustees. The provision of education is reviewed through the staff structure and review process, the departmental review process and the School Development Plan.

Organisational Management

The Governors, as the charity trustees of the Charity, are legally responsible for the overall management and control of the school, and meet at least four times a year. The work of implementing most of their policies is carried out by the members of the Education, Finance and General Purposes Committees who meet each term and otherwise when required.

Educational aspects of the Charity are overseen by the Senior Management Team and a Health and Safety Committee meets regularly. These bodies report termly to the Governors' committees.

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.

Governing Body

The Governors who served during the year are shown on Page 1.

The Board is a self-appointing Body. Service on the Board is for five years. The retiring members may stand for re-election. New Governors are recruited based on a set of skills and competences as agreed from time to time by the Governing Body, which will include, but are not limited to, education, finance and management. The policy of the Governors is to maintain a balanced Board with a broad experience base, including in particular the topics outlined above. All new Governors are issued with an induction manual, which seeks to assist in the understanding of the complex issues faced by a new Charity Trustee.

Related Entities

The school has a subsidiary trading company whose principal activity continues to be lettings and related services at Cobham Hall.

Risk Review

The Board of Governors is responsible for the management of the risks faced by the Charity. Governors are assisted in this by the Headmistress and the Bursar. Risks are identified, assessed and controls established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- Formal agendas for all Committee and Board activity
- Detailed terms of reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisation structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable
- Regular review of emergency plans and procedures

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

Risk Review (continued)

Through the risk management processes established for the Charity, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognized that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

OBJECTIVES AND ACTIVITIES

The company owns and manages an historic site in which it operates an independent public school in membership of the Girls Schools Association, the Boarding Schools' Association and other relevant bodies. The School 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. Cobham Hall is a member of Round Square, a world-wide association of schools, which follows the principles of education formulated by Kurt Hahn and focuses on personal development and responsibility through service, challenge, adventure and international understanding.

To achieve its objectives, the School's aim is to

- provide top quality opportunities for learning within a wonderful historic environment that stimulates learning, and
- continue to recruit British and International pupils and provide them with a rigorous education based on values of democracy, liberty and humanity

Aims

- 1 To provide within the framework of Round Square values and education for girls which enables each individual to develop
 - a) her abilities to the full
 - b) a wide range of interests
 - c) a sense of self respect
 - d) compassion towards others
 - e) an understanding of responsibility
 - f) international understanding
- 2 To make education a challenging and positive experience in which each girl can feel some measure of success, whether this is in the academic or extra-curricular field
- 3 To prepare girls for the challenges of the twenty-first century and for the demands placed on women in their careers and life choices
- 4 To provide the resources human, financial and material, necessary to achieve their aims

Principal Activities for the Year.

The operation of a Girls' International Boarding and Day School for students aged 11 to 18 years

School Activities

The School's activities for the year 2006/07 have followed the School's Aims and Objectives as outlined above

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

Principle Activities for the Year (continued)

Educational Aims

The School has given the appropriate stimulus and encouragement to each student to develop her academic abilities to the full and to foster and encourage a wide range of interests and a sense of personal values and responsibilities. Cobham Hall complements this individual emphasis with a development of teamwork and a sense of collective responsibility. We have sought, in the year 2006 as from our beginning in 1962, to provide a balanced education which is dynamic and forward looking within the framework of a caring and supportive community and strong pastoral system. It is also our aim to encourage within our students certain skills which will be of benefit to them in their later life of work and study. These are life skills of communication, teamwork, decision-making, problem-solving and initiative. Our strategic direction for staff has helped to implement policies and practices which reflect our commitment to effective teaching and learning with due review processes.

Round Square Aims

The School's membership of the Round Square Organisation gives us pillars of internationalism, democracy, environment, adventure, leadership and social contribution. The activities for the year 2006/07 have met these criteria each month of the school's life and at every year group, following both the curriculum, extra curriculum, PHSE programmes and voluntary service and time which is given by the students towards these aims. Cobham has fulfilled many of the Government's criteria of the "global gateway" initiative through emphasis on a deeper understanding of world cultures, the sharing of a common humanity, the promulgation of "empathy, not pity" in raising funds for other charities, and day-to-day experience of building respect.

Relationships and Communications

The School encourages everyone to share responsibility in all aspects of school life. Its key values have been communicated to all. Cobham believes in fostering good relationships, easy communication and mutual support between all members of its large school community. Consultation has been taken, where appropriate, with parents and Governors, with local stakeholders and supporters.

The School believes that with no more than 230 pupils it will best maintain a family environment with international links.

Location

The School is committed to remaining as a school in our building of Cobham Hall. We wish to use the location to promote international boarding as well as local boarding of UK students. This follows our present use of the better links to major airports and also considers the forthcoming development in the Thames Gateway and the new international station at Ebbsfleet. We hope to promote the use of this station by our students because of its low carbon footprint.

Links with the Community

The School's activities have aimed, over 2006/07, to link into the community, both by the provision of an educational resource in terms of expertise of students and teachers and by the sharing of the physical buildings with the local community. The school maintained links with Ifield School. Nevertheless, most of Cobham's links are with the community of Kent and the South East, the UK and Europe through a conference programme, and with the wider world through exchanges and scholarship programmes. Through Round Square we currently support children of 35 different nationalities from around the world.

Facilities

Our activities over the year have continually shown our efforts to improve facilities offered and to maintain existing buildings and facilities to a high standard.

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

Principal Activities for the Year (continued)

Financial Management

The School has acted over the year 2006/07 to maintain a well-managed school, maximising assets and resources but taking care not to overstretch and allow ourselves to become weakened by unexpected threats

The School's activities have centred around our five Strategic Intentions which underpin our School Development Plan and by the criteria on which our School Development Plan is measured. These also form the Department Handbooks and Department Reviews in template form

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the Charity

The School continued to perform well with examination results well above the National average, with many students achieving exceptional results in many spheres of activity. Work, funded by donations, to restore the historic landscape and buildings was undertaken and the number of visitors to the Hall increased

Review of achievements and performance of the School for the year 2006/07

1 To create a high expectation and success culture

The initiatives in the awarding of scholarships, Cobham Hall Awards and in the selection of the Student Leadership Team and prefects have all combined to raise student expectations in line with Every Child Matters. At the same time, there has been developing growth in the promulgation of Round Square values and pillars. This has been executed through service programmes, community service, assemblies, charity work and by service which students do through the Duke of Edinburgh Award and through Round Square projects, including the Round Square International Service (RSIS)

2 To design and implement accurate indicators for performance for all

There is an expectation that all members of the school, whether student or staff, share in all aspects of school life not simply those relating to their departments or peer groups. There is also an objective that support and guidance is given and that teachers are motivated by a variety of assessed indicators. There is an on-going evaluation of the effectiveness of teaching and learning, of the subject curriculum and progress of pupils. Pupils now self-assess with targets both for their academic performance and extra-curricular involvement and achievement. Staff have followed an Inset Programme since September 2004 which supports, through management review, achievement and sets targets with supportive Inset training. A climate has been created which enables staff to develop and maintain positive attitudes towards their subject and confidence in teaching it.

3 To establish procedures for independent learning for all pupils

The establishment and implementation of clear policies and practices for assessing, recording and reporting on pupil achievement have been undertaken. This is essential in order to encourage a style of independent learning which is focused and effective. It encompasses not only the objectives which all students place in their student planners at the end of term, but stretches up to tuition in the Sixth Form for independent research techniques. At the same time, practices have been put into place which ensure the quality of education provided meets the needs and aspirations of all pupils and raises the standard of achievement. In this way, students who may take their Maths GCSE early do so and others sit public examinations in a variety of GCSE, AS and A2 subjects depending on their ability and capability rather than on their age group.

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

Review of achievements and performance of the School for the year 2006/07 (continued)

4 To build "leadership in depth" throughout the staff

Staff have been encouraged to develop skills in leadership, decision-making, communication and self-management. There has been growth in the use of committees in order to give staff ownership of the way in which the school is moving forward. By October 2006, the management restructuring begun in February 2004 had been completed, comprising a Senior Management Team of the Head, Deputy Head, Bursar, Head of Sixth Form and Director of Studies, and middle management posts of "Senior Tutor for Lower School" and "Senior Tutor for Middle School". Communication is stressed through staff meetings weekly, with additional pastoral meetings fortnightly. Additionally, an Academic Committee which is voluntary and a Pastoral committee have taken on the remits of driving forward the school's academic profile and fulfilling the requirements in terms of procedure of Every Child Matters.

5 To develop the international community within the school and links through Round Square

Cobham has reached a strong position of teaching students of 35 different nationalities. It is a true "global classroom" and in this sense fulfils many of the Government's new initiatives looking at the teaching for the international future. The five Pillars of Round Square give solid focus to aims and objectives for pupils to follow. The School has supported three 100% scholarships: one for an American student and two for students from the Ukraine. In addition, students give of their own energy and service, not only to the local community but to the international community. The school supports a student in Strarehe school in Africa. The Governors also support a student from a school overseas to attend Round Square conferences.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net incoming resources for the group for the year amounted to £1,367,164 (2006 net outgoing resources of £114,887). £221,426 (2006 £125,381) was contributed to the school by way of Gift Aid from the subsidiary trading company.

Reserves Policy

As at 31 August 2007, the total funds of the school were £5,126,695 (2006 £3,759,531). Of these £6,267,517 (2006 £5,103,378) are represented by fixed assets. Therefore the school currently has a deficit on free reserves of £1,140,822.

The Governors aim to reduce the deficit on free reserves over a period of ten years so that reserves equal the carrying value of fixed assets. Once this has been achieved, the governors aim to generate additional free reserves to deal with any unexpected items of expenditure.

The reserves policy of the school will be reviewed on an annual basis by the Governors.

Resources

The school assets are sufficient to meet the obligations of the school on a fund by fund basis.

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

PLANS FOR THE FUTURE

1 To create a high expectation and success culture

We have defined what we mean by success for Cobham Hall students, staff and the community. We continue to intend to celebrate this success, communicating targets to all sections of our human resources and students, parents and the wider community. We wish to engender the idea that each child has gifts and talents and ensure that there is a "no-failure" culture - one's personal best is what one must aim for. In addition, the School plans to continue with its staff Inset training to ensure that the School reinforces this positive ideal. In both the curriculum and the extra curricular subjects provided in the development of human resources within the school, there will be continuing focus on the success of teams and establishment of time periods to review activities with review dates. This encompasses not only reviewing of the provision of teaching and learning, but also of personal development of our professional workforce. Our aim is to ensure that gifts and talents are not neglected but that parents understand that such gifts may appear at different times in children and that it is necessary to have a sensitive and open minded approach to their development. Here we aim to train staff in multi-sensory learning and assessment for learning techniques.

2 To design and implement accurate indicators for performance for all

The school intends to develop staff training and to create individual pupil, staff and organisational targets for day to day use. This has been begun through the publication of the Department Handbook and through Department Review which, in turn, is linked to individual review through management assessment. We have invited a cross section of staff to be part of new committees, thus making sure that we have both older, serving staff and new members of our staffroom, staff from large departments and from small, staff who are part-time and full-time. The aim is to ensure a collective responsibility and ownership of the way the school drives forward and we will continue to improve our communications between the various management levels and flow of information. This aims also to investigate where resources are needed and establish relevant time periods for activities with review dates.

3 To establish procedures for independent learning for all pupils

The school aims to build on its culture of pupils being responsible for their own learning. This should be through the devotion of more time in the curriculum to study skills and to helping students with their understanding of independence and responsibility. The School is also to investigate thoroughly its use of IT facilities and to undertake a full scale review of the ICT strategy.

4 To build "leadership in depth" throughout the staff

Over next year the School will continue to help staff develop their leadership, decision making, communication and self-management skills. This will be achieved through a variety of Inset, further use of committees and their remits. The aim is to create a climate which enables staff to develop and maintain positive attitudes towards their subject areas or pastoral responsibility and to have confidence in carrying out all roles. We would like also to look next year at providing a forum for staff to discuss their roles in the ever-changing environment which faces education today.

5 To develop the international community within the school and links through Round Square

The school wishes to continue its links to the locality, to the wider area of Kent and the South East, links to the UK and Europe and to worldwide areas. The school aims here to use both the expertise and voluntary time of staff and pupils to support these initiatives. It wishes to investigate the initiatives announced by the Government for the Global Gateway using the experience of Cobham Hall to help with expertise and discussion. In practical terms, it will look at initiatives concerning the international and global emphasis of life and teaching at Cobham for the development of the "Every Child Matters" strategy and the five outcomes. It also wishes to highlight the exchange of ideas that our school nurtures and how this links directly to internationalism whether it is encouraging diversity, fostering understanding of global issues or inspiring tomorrow's entrepreneurs. A large Sixth Form conference will be hosted by Cobham in 2008 with delegates from Europe, UK and Canada.

COBHAM HALL

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2007

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees 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

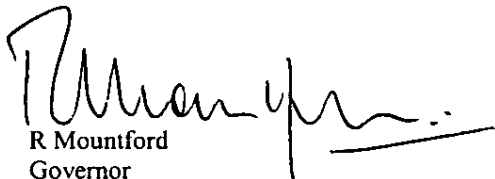
So far as each of the trustees is aware at the time the report is approved

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

AUDITORS

Messrs Haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting

On behalf of the Board


R Mountford
Governor

Cobham Hall
Cobham
Kent
DA12 3BL

4 December 2007

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COBHAM HALL

We have audited the financial statements of Cobham Hall for the year ended 31 August 2007 which comprise the Statement of Financial Activities, the Group and Company Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Governors are also directors of Cobham Hall for the purposes of company law.

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 and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding governors' remuneration and other transactions is not disclosed.

We read the Trustees' 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.

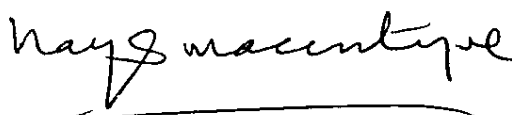
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charitable company's affairs as at 31 August 2007 and of its incoming resources and application of resources in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre
Chartered Accountants
Registered Auditors



Fairfax House
15 Fulwood Place
London WC1V 6AY

4 December 2007

COBHAM HALL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2007

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
INCOMING RESOURCES					
Income from charitable activities					
Fees receivable	2(a)	3,102,529	-	3,102,529	2,485,591
Other educational income	2(b)	334,050	-	334,050	352,306
Incoming resources from generated funds					
Activities for generating funds					
Lettings income		-	-	-	2,366
Trading income	3	358,236	-	358,236	226,636
Interest receivable		12,807	-	12,807	8,772
Donations and other income		25,098	1,201,323	1,226,421	381,042
Total Incoming Resources		3,832,720	1,201,323	5,034,043	3,456,713
RESOURCES EXPENDED					
Costs of Generating Funds					
Trading expenditure	3	136,810	-	136,810	101,255
Finance and other costs		23,350	-	23,350	8,202
Charitable Activities					
School operating costs					
Teaching costs		1,768,278	-	1,768,278	1,791,377
Welfare		429,916	-	429,916	440,823
Premises		767,743	-	767,743	764,311
Support costs of schooling		523,980	-	523,980	446,765
Governance costs		16,802	-	16,802	18,867
Total Resources Expended	5	3,666,879	-	3,666,879	3,571,600
Net Incoming Resources		165,841	1,201,323	1,367,164	(114,887)
Transfer between funds		1,201,323	(1,201,323)	-	-
Net movement in funds		1,367,164	-	1,367,164	(114,887)
Balance brought forward at 1 September 2006		3,759,531	-	3,759,531	3,874,418
Balance carried forward at 31 August 2007		<u>£5,126,695</u>	<u>£ -</u>	<u>£5,126,695</u>	<u>£3,759,531</u>

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

All amounts are derived from continuing activities

The notes on pages 14 to 20 form part of these accounts


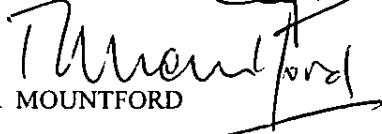
COBHAM HALL

BALANCE SHEET

31 AUGUST 2007

		GROUP		CHARITY	
	Notes	2007 £	2006 £	2007 £	2006 £
FIXED ASSETS					
Tangible assets	6	6,267,517	5,103,378	6,267,517	5,103,378
Investment		-	-	100	100
		<u>6,267,517</u>	<u>5,103,378</u>	<u>6,267,617</u>	<u>5,103,478</u>
CURRENT ASSETS					
Stock		3,700	-	-	-
Debtors -					
Fees and extras		751,359	777,429	751,359	777,429
Other debtors	7	126,813	97,283	257,486	173,027
		<u>878,172</u>	<u>874,712</u>	<u>1,008,845</u>	<u>950,456</u>
Total debtors		878,172	874,712	1,008,845	950,456
Cash at bank and in hand		3,569	5,681	3,037	1,560
		<u>885,441</u>	<u>880,393</u>	<u>1,011,882</u>	<u>952,016</u>
TOTAL CURRENT ASSETS		885,441	880,393	1,011,882	952,016
CREDITORS - due within one year	8	(1,538,100)	(1,868,110)	(1,664,641)	(1,939,833)
		<u>(652,659)</u>	<u>(987,717)</u>	<u>(652,759)</u>	<u>(987,817)</u>
NET CURRENT LIABILITIES		(652,659)	(987,717)	(652,759)	(987,817)
		<u>5,614,858</u>	<u>4,115,661</u>	<u>5,614,858</u>	<u>4,115,661</u>
CREDITORS - due after more than one year	9	(488,163)	(356,130)	(488,163)	(356,130)
		<u>(488,163)</u>	<u>(356,130)</u>	<u>(488,163)</u>	<u>(356,130)</u>
TOTAL NET ASSETS		<u>£5,126,695</u>	<u>£3,759,531</u>	<u>£5,126,695</u>	<u>£3,759,531</u>
FUNDS					
Unrestricted Funds		5,126,695	3,759,531	5,126,695	3,759,531
Restricted Funds		-	-	-	-
		<u>£5,126,695</u>	<u>£3,759,531</u>	<u>£5,126,695</u>	<u>£3,759,531</u>

The financial statements were approved and authorised for issue by the Board of Governors on 4 December 2007 and were signed below on its behalf by

C SYKES )
)
R MOUNTFORD)
) GOVERNORS

The accompanying notes are an integral part of this balance sheet

COBHAM HALL**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 AUGUST 2007**

	£	2007	£	£	2006	£
Net cash flow from operating activities						
Net incoming/(outgoing) resources			1,367,164			(114,887)
Depreciation			85,164			79,514
Interest received			(12,807)			(8,772)
Interest paid			13,100			8,202
(Increase) in stock			(3,700)			-
(Increase) in debtors			(3,460)			(178,818)
(Decrease)/increase in creditors			(26,518)			409,605
			<u>1,418,943</u>			<u>194,844</u>
Returns on investments and servicing of finance						
Interest received		1,196			1,140	
Interest charged on late fees		11,611			7,632	
Bank interest paid		(13,100)			(8,202)	
		<u></u>			<u></u>	
			(293)			570
Capital expenditure						
Purchase of tangible fixed assets			(1,249,303)			(426,547)
			<u></u>			<u></u>
Increase/(decrease) in cash			<u>£169,347</u>			<u>£(231,133)</u>

COBHAM HALL**CASH FLOW STATEMENT (Continued)****FOR THE YEAR ENDED 31 AUGUST 2007****RECONCILIATION OF NET CASH FLOW TO MOVEMENT OF CASH LESS DEBT**

	2007 £	2006 £
Increase/(decrease) in cash in the year	169,347	(231,133)
Movement in net debt for the year	<u>169,347</u>	<u>(231,133)</u>
Cash less debt at 1 September 2006	<u>(371,692)</u>	<u>(140,559)</u>
Cash less debt at 31 August 2007	<u><u>£(202,345)</u></u>	<u><u>£(371,692)</u></u>

ANALYSIS OF CASH LESS DEBT

	At 31 August 2006 £	Cash Flows £	At 1 September 2007 £
Bank balance - school	(372,390)	169,495	(202,895)
- subsidiary	(4,983)	1,964	(3,019)
Cash at bank and in hand	5,681	(2,112)	3,569
	<u><u>£(371,692)</u></u>	<u><u>£169,347</u></u>	<u><u>£(202,345)</u></u>

COBHAM HALL

NOTES TO THE ACCOUNTS

YEAR ENDED 31 AUGUST 2007

1 ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention as modified by the revaluation of some fixed assets, the valuation of which will not be updated, in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005. The particular accounting policies adopted are described below.

- a. The financial statements consolidate the results of the charity and its wholly owned subsidiary Cobham Hall Enterprises Limited on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 304 of the SORP.

b. **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.

c. **Resources Expended**

Expenditure is accounted for on an accruals basis.

Costs of generating funds comprise finance charges associated with interest payable on the School's borrowings as well as costs associated with the School's trading subsidiary.

Charitable activities costs represent costs directly associated with the provision of education and related support costs.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

d. **Fixed Assets**

The school land and buildings in existence at 31 August 2000 were valued by the Governors on the following basis:

- Land was valued at a Governors' valuation
- Freehold historic buildings were revalued at residual value using a Governors' valuation
- Other buildings (ie non historic additions) were revalued using a Governors' valuation

This valuation will not be updated.

e. **Depreciation**

Freehold historic buildings are valued at estimated residual value and therefore no depreciation is charged on the buildings in the financial statements.

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

Other freehold buildings	- 2% on valuation
Buildings of non-permanent construction	- 5% on cost
Furniture, fixtures and equipment	
Purchased before 1 September 2003	- 5% on cost
Purchased after 1 September 2003	- 10% on cost
Computers	- 25% on cost
Motor vehicles	- 25% on cost

COBHAM HALL**NOTES TO ACCOUNTS (Continued)****YEAR ENDED 31 AUGUST 2007****1. ACCOUNTING POLICIES (continued)****f. 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.

g. Pension Costs

The School contributes to the Teachers' Superannuation Scheme at rates set by the scheme actuary and advised to the School by the Scheme Administrator. The school also operates defined contribution, externally funded, pension schemes covering the majority of its employees. Contributions are charged against revenue as they fall due.

h. Operating Lease Rentals

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

i. Unrestricted Funds

These funds consist of the Revenue Fund and Capital Fund. The funds are applied at the discretion of the Governors in furtherance of the objects of the school.

j. Restricted Funds

These funds relate to works undertaken by the Heritage Lottery Fund in relation to the CAMS Scheme and the works relate to improvements to the land and buildings of the Charity.

2(a) FEES RECEIVABLE

	2007	2006
	£	£
Gross fees	3,545,531	2,804,204
Scholarships and allowances	(443,002)	(318,613)
	<u>£3,102,529</u>	<u>£2,485,591</u>

2(b) OTHER EDUCATIONAL INCOME

Extras and disbursements	324,118	329,327
Voluntary extra subjects	735	9,369
Registration fees	5,444	6,892
Other	3,753	6,718
	<u>£334,050</u>	<u>£352,306</u>

COBHAM HALL**NOTES TO ACCOUNTS (Continued)****YEAR ENDED 31 AUGUST 2007****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 gift aided to the school so the company's assets less liabilities equals the share capital of £100.

The trading results of the subsidiary company, as shown in its audited accounts for the year to 31 August 2007 were

	2007 £	2006 £
Turnover	358,236	226,636
Cost of sales	(120,989)	(98,666)
Gross profit	<u>237,247</u>	<u>127,970</u>
Administrative expenses	(14,588)	(1,639)
Auditors' remuneration	(1,233)	(950)
Operating profit	<u>£221,426</u>	<u>£125,381</u>
Gift Aid payment	<u>£(221,426)</u>	<u>£(125,381)</u>
Aggregate capital and reserves	<u>£100</u>	<u>£100</u>

The company is registered in the United Kingdom

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 £
Costs of Generating Funds:				
Finance and other costs	-	23,350	-	23,350
Trading costs of subsidiary	-	136,810	-	136,810
Charitable Activities:				
School operating costs				
Teaching costs	1,296,885	446,206	25,187	1,768,278
Welfare	299,095	130,821	-	429,916
Premises	314,709	393,057	59,977	767,743
Support costs of schooling	298,185	225,795	-	523,980
Governance costs	-	16,802	-	16,802
Total Resources Expended – Group	<u>2,208,874</u>	<u>1,372,841</u>	<u>85,164</u>	<u>3,666,879</u>
Total Resources Expended - Charity	<u>2,208,874</u>	<u>1,236,031</u>	<u>85,164</u>	<u>3,530,069</u>

All costs above are direct costs of each activity

COBHAM HALL

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2007

5 ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

	2007	2006
	£	£
Other support costs of schooling comprise		
Postage, telephone, computer and office expenses	56,286	53,611
Bank charges	6,281	6,710
Subscriptions and donations	8,575	6,063
Advertising and website costs	49,116	41,474
Commissions	29,037	20,249
Courses and INSET	9,504	8,909
Recruitment	11,849	-
Solicitors fees and other professional charges	20,165	18,496
Round Square	8,741	4,751
Other	26,241	17,672
	<u>£225,795</u>	<u>£177,935</u>

Staff Costs

The aggregate staff costs during the year were

Salaries and wages	1,876,164	1,912,268
Social security costs	163,453	162,680
Other pension costs	169,257	165,282
	<u>£2,208,874</u>	<u>£2,240,230</u>

Number of employees earning over £60,000 during the year were as follows

	2007	2006
	No	No
£60,001 - £70,000	<u>1</u>	<u>1</u>

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

	2007	2007	2006	2006
	Full	Part	Full	Part
	Time	Time	Time	Time
	No	No	No	No
Teaching	29	7	30	7
Other	37	22	34	34
	<u>66</u>	<u>29</u>	<u>64</u>	<u>41</u>

Direct charitable expenditure includes

	2007	2006
	£	£
Operating lease rentals	£4,516	£4,516
Other expenditure includes		
Auditors' remuneration		
- Audit	<u>£15,980</u>	<u>£14,687</u>

COBHAM HALL

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2007

6. TANGIBLE FIXED ASSETS

	2007 £	2006 £
Freehold land and historic buildings	5,804,763	4,603,440
Other freehold buildings	204,203	211,057
Freehold buildings of non permanent construction	-	-
Furniture, fittings and equipment	212,381	250,931
Computers (included in furniture, fittings and equipment below)	32,010	37,950
Motor Vehicles	14,160	-
Total Net Book Value for Charity	6,267,517	5,103,378
Subsidiary furniture and equipment	-	-
Group Total	<u>£6,267,517</u>	<u>£5,103,378</u>

The movement of tangible fixed assets were as follows

	Land £	Freehold historic buildings £	Freehold other buildings £	Freehold buildings of non permanent construction £	Furniture fixtures & equipment £	Motor vehicles £	Subsidiary furniture & equipment £
COST OR VALUATION							
At 1 September 2006	387,000	4,216,440	342,697	11,264	1,077,105	35,637	-
Additions	-	1,201,323	-	-	29,768	18,212	-
At 31 August 2007	<u>387,000</u>	<u>5,417,763</u>	<u>342,697</u>	<u>11,264</u>	<u>1,106,873</u>	<u>53,849</u>	<u>-</u>
DEPRECIATION							
At 1 September 2006	-	-	131,640	11,264	788,224	35,637	-
Charge for the year	-	-	6,854	-	74,258	4,052	-
At 31 August 2007	<u>-</u>	<u>-</u>	<u>138,494</u>	<u>11,264</u>	<u>862,482</u>	<u>39,689</u>	<u>-</u>
NET BOOK VALUE							
At 31 August 2007	<u>£387,000</u>	<u>£5,417,763</u>	<u>£204,203</u>	<u>£ -</u>	<u>£244,391</u>	<u>£14,160</u>	<u>£ -</u>
At 31 August 2006	<u>£387,000</u>	<u>£4,216,440</u>	<u>£211,057</u>	<u>£ -</u>	<u>£288,881</u>	<u>£ -</u>	<u>£ -</u>

Apart from a small proportion used for administration, all fixed assets are used in direct furtherance of the school's objects

COBHAM HALL

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2007

7	OTHER DEBTORS	GROUP		CHARITY	
		2007 £	2006 £	2007 £	2006 £
	Other debtors	109,455	85,934	11,236	1,153
	Prepayments and accrued income	17,358	11,349	17,358	11,349
	Amounts due from subsidiary company				
	- Gift Aid	-	-	221,426	125,381
	- Other	-	-	7,465	35,144
		<u>£126,813</u>	<u>£97,283</u>	<u>£257,485</u>	<u>£173,027</u>
8. CREDITORS – due within one year					
	Bank overdraft	205,914	377,373	202,895	372,390
	Amount due to subsidiary company	-	-	184,142	103,709
	Final term fee deposits	77,203	154,231	77,203	154,231
	Fees in advance – lump sum	40,260	22,562	40,260	22,562
	Fee charged in advance	1,040,159	1,138,727	1,040,159	1,138,727
	Payroll taxes and social security costs	52,474	49,106	52,474	49,106
	Other creditors and accruals	122,090	126,111	67,508	99,108
		<u>£1,538,100</u>	<u>£1,868,110</u>	<u>£1,664,641</u>	<u>£1,939,833</u>

The school has a bank overdraft facility which is secured on the school property

9.	CREDITORS - due after more than one year	2007 £	2006 £
	Final term fee deposits	374,709	273,700
	Fees in advance – lump sum	113,454	82,430
		<u>£488,163</u>	<u>£356,130</u>

10 PENSION SCHEMES

The principal scheme for teachers employed is administered by the Teachers' Pension Scheme. The scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. The Department for Education and Skills determines the level of employees' and employers' contributions, currently at 6.4% and 14.1% respectively. These contributions are assessed every five years in accordance with the advice of the government actuary using a prospective benefits valuation method.

The charity also operates defined contribution pension schemes for all its non-teaching staff where those staff wish to participate. The schemes for non-teachers are operated by insurance companies.

The company's contribution for all the schemes for the year was £169,257 (2006: £165,282). The contributions outstanding at the year end were £Nil (2006: £Nil).

COBHAM HALL**NOTES TO ACCOUNTS (Continued)****YEAR ENDED 31 AUGUST 2007****11. CAPITAL COMMITMENTS**

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

12. OPERATING LEASES

At 31 August 2007 the school had the following annual commitments under non cancellable operating leases

	2007 £	2006 £
Operating leases which expire		
Within one year		-
Two to five years	£9,032	£9,032

13. 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 £822 (2006 £4,180) were reimbursed to 3 (2006 9) governors during the year. No other payments were made to any governors

14. RESTRICTED FUNDS

	Total 2007 £	Total 2006 £
Heritage Project Grants		
Balance brought forward at 1 September 2006	-	-
Income	1,201,323	325,003
Expenditure	-	-
Transfer to general funds	(1,201,323)	(325,003)
Balance carried forward at 31 August 2007	£ -	£ -

Heritage Project Grants

The Charity was recipient of funds in the year in relation to the CAMS Scheme which is funded by the Heritage Lottery Fund and other grant providers. The funding received was in the form of works undertaken on improvements to the land and buildings of the Charity. As the restrictions have been met in the year, i.e. the works undertaken have been completed, a transfer has been made to unrestricted funds.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	6,267,517	-	6,267,517
Current assets	885,441	-	885,441
Creditors due within one year	(1,538,100)	-	(1,538,100)
Creditors due after one year	(488,163)	-	(488,163)
	£5,126,695	£ -	£5,126,695