

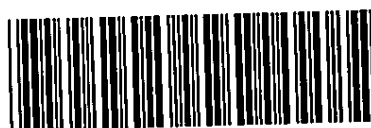
**ST HUGH'S SCHOOL (CARSWELL)
TRUST LIMITED**
(A company limited by guarantee)

**Reports and Financial Statements
for the year ended 31 August 2011**

**Registered in England and Wales
No 913833**

**Registered Charity
No 309640**

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COMPANIES HOUSE

**Mazars LLP
Chartered Accountants & Statutory Auditors
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF**

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED

Registered in England and Wales - No 913833
Registered Charity - No 309640

PRINCIPAL AND REGISTERED OFFICE

Carswell Manor
Carswell
Faringdon
Oxfordshire
SN7 8PT

GOVERNORS

Mr J M Guillum Scott – Chairman
Mrs J R Allan
Mr R W F Barnes
Mr P F Boggis
Mr P Chambers
Mr J Champion (resigned 27/11/2010)
Mr A Clark
Mr P Daffern
Mrs J Forrest
Mrs S Jackson
Mr E P L Sandbach
Mr A Trotman
Mr A Ashton (appointed 27/11/2010)

HEADMASTER

Mr A J P Nott

BURSAR & COMPANY SECRETARY

Mr A Robinson (appointed 01/09/2010)

BANKERS

Lloyds TSB Bank Plc, Black Horse House
Wallbrook Court, Oxford, OX2 0QS

AUDITORS

Mazars LLP, The Pinnacle,
160 Midsummer Boulevard
Milton Keynes, MK9 1FF

SOLICITORS

Rickerby's, Ellenborough House,
Wellington Street, Cheltenham, GL50 1YD

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED

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ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2011

The Directors of St Hugh's School (Carswell) Trust Limited present their annual report for the year ended 31 August 2011 under the Companies Act 2006 and the Charities Act 1993, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association and the Charities Statement of Recommended Practice - "Accounting and Reporting by Charities (revised 2005)"

REFERENCE & ADMINISTRATIVE INFORMATION

St Hugh's School (Carswell) Trust Limited ("St Hugh's") is a charitable company founded in 1967, charity registration number 309640, company registration number 913833, with the liability of its members limited to £10 each by guarantee. The Registered Office and principal address of the Company is Carswell Manor, Carswell, Faringdon, Oxfordshire, SN7 8PT

Directors

The School continues to be organised and administered by a Board of Governors (who legally act as the Board of Directors of the Company and as Trustees of the Charity). The Directors of the Company who served during the year are -

Mr J M Guillum Scott	Chairman
Mr A Ashton ¹	(Appointed 27/11/2010)
Mrs J R Allan ¹	
Mr R W F Barnes ^{2,3}	
Mr P F Boggis ²	
Mr P Chambers ²	Chairman Buildings and Estates Committee
Mr J Champion	(Resigned 27/11/2010)
Mr A Clark	
Mr P Daffern ¹	Vice-Chairman & Chairman of Finance and General Purposes Committee
Mrs J Forrest ²	
Mrs S Jackson ^{1,3}	Chairman of the Compliance Review Committee
Mr E P L Sandbach ²	
Mr A Trotman ³	

¹ Member of the Finance and General Purposes Committee

² Member of the Buildings' and Estates Committee

³ Member of the Compliance Review Committee

Key Executives

The Headmaster:	Mr A J P Nott
The Bursar	Mr A Robinson (Appointed 01/09/2010)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association dated 23 August 1967

Governing Body

The Directors are elected at a full Directors' Meeting on the basis of recommendations received from other Directors, the Headmaster and the Bursar. A skills audit was undertaken during the year clarifying what professional expertise is required when recruiting new members to the Board. Members of the Board serve for 3 years and may apply for re-election for 4 successive periods.

The Chairman and Vice-Chairman of the Board are elected each year at the Annual General Meeting. The constitution requires the number of members of the Board to be not less than five and not more than twenty. One third of the Board retires in rotation each year and is eligible to stand for re-election. At the date of this report, there are 12 Directors.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2011

Training

New Directors are introduced into the workings of the School, and of the Company as a registered charity, including Board policy and procedures, at an induction workshop specially organised for them by the Headmaster and Bursar, who also organise periodic strategic planning and trustee-training workshops for all Directors

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. More detailed management activity is undertaken by the Finance and General Purposes Committee and the Buildings and Estate's Committee which both meet termly. The Compliance Review Committee meets twice a year to provide direction on all compliance issues. The day-to-day running of the School is delegated to the Headmaster and the Bursar who are supported by other members of the Senior Management Team.

Group structure and relationships

St Hugh's is an active member of the Independent Association of Preparatory Schools (IAPS) for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. The School is also a member of Independent Schools' Bursars Association (ISBA) for the promotion of efficient and effective administration and ancillary services at independent schools. The Headmaster is Vice Chairman of IAPS, a member of the governing body of the IAPS, the IAPS Council, and also a member of its Strategy and Finance Committees.

We co-operate with as many charities as we are able, despite the School's isolated situation, in our ongoing endeavours to widen access to the schooling we provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils an awareness of the wider social context of the education they receive at the School.

St Hugh's benefits from the generosity of a thriving network of parents under the name of FOSH (Friends of St Hugh's School) whose close support we greatly appreciate and gladly acknowledge.

Throughout the year the pupils of the School have raised funds for a number of charities as a result of awareness of issues in the outside world brought to their attention through the school curriculum.

Risk Management

The Board with particular assistance from the Headmaster, Bursar and the Senior Management Team, continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. The major risks identified by this process have been mitigated to an acceptable level by internal control systems and other factors as appropriate, insurance cover is reviewed annually to ensure risks are appropriately covered. The Bursar chairs regular meetings of the Health & Safety Committee.

AIM, OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The Principal Objective of the Company, in accordance with its Memorandum of Association continues to be the running of an independent school in order to provide a high standard of education for children from all educational and social backgrounds. In the furtherance of this objective the Directors, as the charity trustees, have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Strategic Aim and Intended Effect

The Board's strategic aim to reach its annual objective for the public benefit is to provide a co-educational independent preparatory school with a clear sense of purpose to operate a wide access admissions policy for assisting children from lower income and otherwise disadvantaged families with the award of Bursaries in order to benefit from a secure educational foundation and to gain the confidence to be adaptable and independent as they prepare for life beyond the school. We aim to give them all the opportunity and encouragement to develop their own interests and talents, while learning to work and play.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
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REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2011

together and to contribute positively to their community. There is no competitive selection; we both welcome and cater for pupils of a wide range of ability. Our aim is to foster confidence and a love of learning across this range – an outstanding Scholarship and Common Entrance record and the provision of integral learning support both bear testimony to our inclusive approach.

Objectives for the Year

The Board's main objectives continue to be (i) to educate all the School's pupils to a high standard so that they will be fully able to benefit from their chosen senior school for the completion of their education in due course, (ii) to develop further our bursary and other funding sources in order to increase the number of children entering the School from lower income families and (iii) to continue to develop collaborative working with other charities and educational bodies. Our strategy for achieving this is to recruit the best teaching and teaching support staff available, to identify each individual child's needs and to tailor our teaching methods as appropriate in each case, and to build up our bursary funds as well as our referrals network of external funding sources for those in need of assistance with school fees. This is supported by a strong, effective pastoral care system. Furthermore we will continue to forge close working relationships with local maintained schools in order that we can share our educational and other facilities.

The School has an agreed, comprehensive development plan, published for parents, in which are outlined strategic objectives, which include maintaining high standards of teaching and learning, the development of boarding, staff professional development, developing our facilities (particularly the introduction of a Nursery), the improvement in ICT provision, enhancements in communication and the maintenance of a high quality, broad education.

Principal Activity

St Hugh's principal activity continues to be the provision of a co-educational boarding and day school for children aged 4 years to 13 years. In September 2010 the School opened a new nursery thereby extending the age range of children commencing to 3 years of age.

Volunteers

Funds held by Friends of St Hugh's School (FOSH) are fully incorporated into the School's accounts as a separate restricted fund. All fundraising events have been carried out within the School's accounting and risk management procedures. Funds raised by FOSH are used to help fund the special projects and developments of the school. FOSH retains the right to elect a committee which also consists of the Headmaster and the Bursar. FOSH is committed to donating funds each year to charities chosen by the management committee.

ACHIEVEMENTS AND PERFORMANCE

Operational performance of the School

The number of pupils attending the School remained steady throughout the year averaging 290 full time pupils plus 12 part-time nursery pupils per term. All children at age 13+ (Year 8) passed appropriate entrance examinations to the senior schools of their parents' first choice. Of that number, 12 awards and scholarships were won by these pupils. A further 5 pupils at age 11+ (Year 6) progressed to senior schools of their first choice.

During the year, means-tested bursaries have been taken up for 13 children and a further 5 awards have been offered for pupils joining in September 2011, allowing financially disadvantaged families to benefit. Of those awards one was valued at 100% of the day fees with a further 6 being at 50% or greater. These bursaries are assessed on a needs basis as determined by the Governors and amounted to £85,779 in the financial year reported. As a fee paying School we continue to provide benefit to the general public by reducing the burden on state maintained schools in both terms of pupil numbers and funding. The Board has recently reviewed the School's discounts policy. To ensure that bursaries are allocated to the most appropriate and deserving cases, new staff will no longer benefit from automatic fee discounts for their children, but will be eligible to apply for means tested staff bursaries. This should ensure that the overall funding allocated for awards is allocated to the most deserving cases.

As part of our charitable objectives we provide sports' coaching to pupils of Buckland Primary School and, during the holidays and half terms, sports courses and holiday camps operate at the school which are

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2011

available to other local children. Furthermore a member of staff organises sports events for the local church group at the School at weekends and another member of staff runs camping events for the local scouts in the School grounds. The School has just agreed that the local Scout unit can hold all its meetings at the School for up to two years from September whilst it develops a new scout hut.

During the reporting period the School was subjected to an OFSTED Inspection which rated the School as Good overall and outstanding in 4 out of 6 categories. All the recommendations made by the Inspectors have already been addressed.

Fundraising performance

Fundraising events held during the year 2011 and donations raised £22,532 towards our restricted funds.

Infrastructure

The Board has committed funds to the development of the School infrastructure in line with the strategic direction set for the School. During the reporting year the swimming pool was fully refurbished and the Walled Garden cleared to give additional playing areas. Plans for a new Science, Art and DT block have received planning consent and at the time of drafting this report final arrangements are in hand to agree a loan with Lloyds TSB and finalise a building contract.

FINANCIAL REVIEW

Unrestricted funds resulted in a surplus amounting to £59,601 and restricted funds returned a surplus of £13,020 giving a total surplus for the year of £72,621, representing 2% of net fees income. The School's long term plan is to increase the operating surplus to at least 10% of net fee income in order to finance the ongoing capital expenditure needed to upgrade the School's facilities and provide sufficient funds to satisfy the School's commitment to the 2006 Charities Act Public Benefit guidance.

The market value of the School properties is significantly in excess of book value and this was reviewed by the Buildings and Estates Committee.

The Board has reviewed and approved the budget for the next year and, given the current level of unrestricted reserves and pupil numbers, is satisfied that the School is able to continue as a going concern.

Reserves Policy

The School does not hold any free reserves. All operating surpluses are invested in Fixed Assets in order to ensure the continued development and viability of the School.

Long term strategic plans are carefully reviewed to ensure that they can be properly funded within the available funding and all expenditure is carefully monitored to ensure that budgets laid down by the Board are not exceeded. In the unlikely event of needing to call upon reserves the level and variety of Fixed Assets held are such that appropriate assets could be realised or used as security to raise sufficient resources to meet requirements.

The Board's policy is to continue to generate surpluses in order to equip the School with up-to-date facilities needed to maintain and improve upon the high standard of educational services currently provided.

FUTURE PLANS

The School Development Plan enshrines the strategic objectives of the School. This plan is dynamic and evolves from full consultation with staff, parents, pupils and governors and covers all aspects of the School's future development. It is reviewed and evaluated on a regular basis and made available to parents. The key objectives at present are to maintain pupil numbers and academic standards and to increase the operating surplus to 10% of net fee income so that the school can continue to fund bursaries and develop the infrastructure for the benefit of the pupils and staff.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

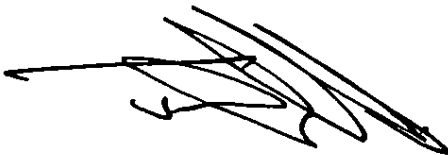
AUDITORS

Mazars LLP has shown its willingness to be re-appointed as auditor to the Company at the next Annual General Meeting.

STATEMENT OF DISCLOSURE TO AUDITORS

- (a) as far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors at its meeting on 26th November 2011 and signed on its behalf by



James Guillum Scott
Chairman

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED

We have audited the financial statements of St Hugh's School (Carswell) Trust Limited for the year ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors (who are also the Trustees of the charity) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit,



Stephen Brown (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants & Statutory auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date 29 November 2011

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure account)

For the year ended 31 August 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and gifts		-	3,630	3,630	2,924
<i>Activities for generating funds</i>					
Fundraising and trading	2	35,565	18,902	54,467	27,813
<i>Investment income</i>					
Bank interest		143	-	143	162
Incoming resources from charitable activities					
School fee income	3	3,624,824	-	3,624,824	3,634,368
Additional activities	3	46,963	-	46,963	38,134
TOTAL INCOMING RESOURCES		3,707,495	22,532	3,730,027	3,703,401
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising and trading	4	(22,455)	(9,512)	(31,967)	(34,630)
Charitable activities					
School operating costs	4 & 5	(3,581,971)	-	(3,581,971)	(3,450,242)
Governance costs	6	(43,468)	-	(43,468)	(43,570)
TOTAL RESOURCES EXPENDED		(3,647,894)	(9,512)	(3,657,406)	(3,528,442)
NET MOVEMENT IN FUNDS		59,601	13,020	72,621	174,959
Transfers of funds		7,477	(7,477)	-	-
Balances brought forward at 1 September 2010		2,227,340	28,141	2,255,481	2,080,522
BALANCES CARRIED FORWARD					
AT 31 AUGUST 2011	14&15	2,294,418	33,684	2,328,102	2,255,481

The Company's incoming and outgoing resources relate to continuing activities

The Company has no recognised gains or losses other than the net movement in funds for the year

The net movement in funds has been calculated on the historical cost basis

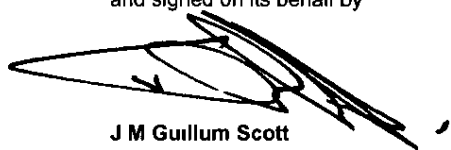
The notes on pages 10 to 21 form part of these financial statements

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

BALANCE SHEET
As at 31 August 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
School land, buildings and equipment	8	<u>3,367,240</u>	<u>3,449,778</u>
CURRENT ASSETS			
Stock	9	1,551	1,673
Debtors	10	28,456	38,751
Cash at bank and in hand		<u>12,538</u>	<u>12,184</u>
		42,545	52,608
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
	11	<u>(830,375)</u>	<u>(986,614)</u>
NET CURRENT LIABILITIES		<u>(787,830)</u>	<u>(934,006)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,579,410	2,515,772
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	12	<u>(251,308)</u>	<u>(260,291)</u>
NET ASSETS		<u><u>2,328,102</u></u>	<u><u>2,255,481</u></u>
FUNDS			
Unrestricted	14	2,294,418	2,227,340
Restricted	15	<u>33,684</u>	<u>28,141</u>
	16	<u><u>2,328,102</u></u>	<u><u>2,255,481</u></u>

Approved and authorised for issue by the Board on 26 November 2011
and signed on its behalf by



J M Guillum Scott
Chairman

The notes on pages 10 to 21 form part of these financial statements

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

CASH FLOW STATEMENT
As at 31 August 2011

	Notes	2011 £	2010 £
Net cash inflow from continuing operating activities	17a	230,421	276,051
Returns on investments and servicing of finance			
Interest received		143	162
Net cash inflow from returns on investments and servicing of finance		230,564	276,213
Capital expenditure	17b	(181,168)	(503,943)
Net cash inflow/(outflow) before financing		49,396	(227,730)
Financing	17c	-	(1,898)
Increase/(decrease) in cash		49,396	(229,628)
Reconciliation of net cash flow to movement in net debt			
		2011 £	2010 £
Increase/(decrease) in cash in the period		49,396	(227,730)
Net cash outflow from movement in debt		-	(1,898)
Change in net debt	17d	49,396	(229,628)
Net debt at 1 September 2010	17d	(423,932)	(194,304)
Net debt at 31 August 2011	17d	(374,536)	(423,932)

The notes on pages 10 to 21 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

1 Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005 and in accordance with the following policies

(a) Basis of accounting

The financial statements of the company are prepared under the historical cost convention

(b) Income

Fee income represents fees receivable in respect of tuition and accommodation of pupils in the period. Fees received for education to be provided in the future are treated as deferred income. Donations are brought into income in the year during which they are received.

Registration fees and fees for additional activities are recognised as income in the year in which they are receivable.

(c) Expenditure on buildings

All expenditure incurred on buildings is written off in the year in which it arises except where additional teaching or accommodation space is achieved, in which case it is capitalised.

(d) Fixed Assets and Depreciation

Fixed assets are included in the financial statements at cost, less accumulated depreciation. Individual assets costing more than £3,000 are capitalised. Depreciation of tangible fixed assets is provided on a straight line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The depreciation rates applicable are included in Note 8 of the financial statements.

In general buildings are depreciated over 25 years. However 2 new classrooms constructed in July and August 2009 only have planning authority from the local council for 10 years and are depreciated over 10 years. The lodge garage is also being depreciated over 10 years. No depreciation is charged where the Directors consider that because these buildings are maintained to a high standard they have very long useful lives and high residual value. Any depreciation charged would be immaterial both in the current year and on a cumulative basis. The Directors will undertake an impairment review of the non-specialised buildings every three years to ensure that their carrying value in the accounts is not more than their realisable value. Previously the assets that were not depreciated were classified as non-specialised and disclosed separately. This year the two categories of specialised and non-specialised buildings has been combined to have one category for all buildings and improvements. The differing rates have been kept for the reasons described above.

Assets in the Course of Construction (ACOC) are held at their actual value as at the financial year-end as fixed assets and are not depreciated until they are complete and handed to the School for use.

(e) Finance leases

Assets held under finance leases are capitalised at cost. Depreciation is calculated to write off this amount over the shorter of the lease term and the useful life of the asset. Rents payable are apportioned between the finance charge and the capital sum outstanding.

(f) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

(g) Stock

Stock is valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

1 Accounting policies (continued)

(h) Taxation

The company is registered as a charity and is entitled for the current year to the exemptions provided by Section 505 Income and Corporation Taxes Act 1988

(i) Value Added Tax

The company is exempt from registration for value added tax purposes. All items of expenses in the income and expenditure account therefore include, where appropriate, the related amount of value added tax.

(j) Pension costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Charity. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator. The school also contributes to personal pension schemes for non teaching staff and these contributions are accrued in the period to which they relate.

(k) Allocation of costs to direct charitable and other expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to do so.

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned according to management estimates of staff time spent.

Charitable activities include costs directly related to the running of the School.

Support costs represent the staffing and associated costs of finance, personnel and general administration in supporting the School.

Governance costs include the cost of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in generating funds or service delivery of the charitable activities. This includes such items as a proportion of the Bursar's salary, costs of external audit, expenses incurred by governors in carrying out their duties as trustees and costs associated with constitutional and statutory requirements.

Generating Funds includes costs of raising funds from external sources such as alumni, past parents and friends of the school. Costs of raising funds from the current parent base are included in charitable activities.

Trading costs relate to the costs of goods sold.

(l) Grants Payable

Grants payable are charged as expenses in the year during which they are paid.

(m) Funds

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the Governors.

Designated funds are funds set aside by the Governors out of unrestricted funds for specific purposes.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

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For the year ended 31 August 2011

2 Incoming resources – Fundraising and trading

	Unrestricted Funds	Restricted Funds	2011	2010
	£	£	£	£
Donations	-	3,630	3,630	2,924
Income from fundraising events	-	18,902	18,902	9,944
Surcharge for late fees	1,217	-	1,217	2,349
Lettings and rents receivable	14,693	-	14,693	4,572
Trading income	19,655	-	19,655	10,948
	35,565	22,532	58,097	30,737

3. Incoming resources from charitable activities

The income and surplus is attributable to the principal activity of running a preparatory school. The income all arose within the United Kingdom.

	Unrestricted Funds	Restricted Funds	2011	2010
	£	£	£	£
School fees (gross)	3,830,050	-	3,830,050	3,838,740
Less Bursaries and allowances	(205,226)	-	(205,226)	(204,372)
Total Net fees	3,624,824	-	3,624,824	3,634,368
Additional activities	46,963	-	46,963	38,134
	3,671,787	-	3,671,787	3,672,502
Bank interest	143	-	143	162
	3,671,930	-	3,671,930	3,672,664

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4 Analysis of total resources expended

	2011 £	2010 £
Costs of generating funds.		
Development costs	-	13,155
Trading costs	22,455	13,777
Restricted expenditure	9,512	7,698
Total cost of generating funds	<u>31,967</u>	<u>34,630</u>
Charitable Activities.		
School operating costs		
Teaching	2,145,255	2,042,460
Early retirement package	(1,127)	(1,007)
Welfare	486,056	473,603
Premises	605,962	578,174
Support costs (see notes 1(k) & 5)	345,825	357,012
	<u>3,581,971</u>	<u>3,450,242</u>
Governance (see notes 1(k) & 6)	<u>43,468</u>	<u>43,570</u>
Total resources expended	<u><u>3,657,406</u></u>	<u><u>3,528,442</u></u>

Included in the Premises costs above is the depreciation charge of £263,706

5 Support costs

	2011 £	2010 £
Salaries	212,144	184,911
Office and other administrative costs	129,278	140,974
Finance costs	14,789	14,786
Bad debts (recovered)/incurred	(10,386)	16,341
	<u>345,825</u>	<u>357,012</u>

6. Governance costs

	2011 £	2010 £
Apportioned salary	17,334	18,209
Audit and accountancy fees	11,164	9,612
Governors training and expenses	2,971	2,135
Legal and consultancy fees	9,803	8,582
Statutory inspection costs	2,196	5,032
	<u>43,468</u>	<u>43,570</u>

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7 Staff costs

	2011	2010
	£	£
Wages and salaries	1,979,713	1,909,605
Social security costs	150,679	148,830
Other pension costs	237,423	226,677
	<u>2,367,815</u>	<u>2,285,112</u>

**The average number of persons
employed by the company during the year**

	2011	2010
	Number	Number
Teaching	57	58
Non Teaching	17	16
	<u>74</u>	<u>74</u>

No trustee received remuneration during the year (2010 - None)

One (2010 One) Trustee incurred accommodation, travel and entertaining costs amounting to £2,971 (2010 £1,823)

Trustees indemnity insurance of £396 (2010 £396) was paid during the year

The following number of employees received remuneration greater than £60,000

	2011	2010
	Number	Number
£90,000 to £100,000	1	1

The number of higher paid staff to which benefits were accruing under defined benefit pension schemes is 1 (2010 1)

In addition to staff employed directly by the School, 10 catering staff and 10 cleaning staff are employed under two sub-contracts (2010 10 and 10 respectively) The costs of the catering and cleaning contracts for the year were respectively £150,077 and £72,888 (2010 £145,274 and £67,959)

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

8. Tangible fixed assets

Cost	Freehold Property & Improvements £	Sports equipment £	School Equipment £	Fixtures and Equipment £	Assets in the Course of Construction £	Total £
At 1 September 2010	4,580,657	28,044	525,462	271,021	43,782	5,448,966
Additions	120,349	-	7,477	-	53,342	181,168
Transfers	43,782	-	-	-	(43,782)	-
Disposals	-	(2,468)	(119,140)	(32,430)	-	(154,038)
At 31 August 2011	4,744,788	25,576	413,799	238,591	53,342	5,476,096
Accumulated Depreciation						
At 1 September 2010	1,517,615	19,710	268,162	193,701	-	1,999,188
Disposals	-	(2,468)	(119,140)	(32,430)	-	(154,038)
Charge for the year	190,756	2,557	53,757	16,636	-	263,706
At 31 August 2011	1,708,371	19,799	202,779	177,907	-	2,108,856
Net Book Value						
At 31 August 2011	3,036,417	5,777	211,020	60,684	53,342	3,367,240
At 31 August 2010	3,063,042	8,334	257,300	77,320	43,782	3,449,778
Depreciation Rates	Nil, 10% & 4%	10%	10-20%	10- 33 3%	Nil	

Freehold property and improvements was previously split into two categories of specialised and non specialised buildings where the latter were not depreciated. It was decided to combine the categories but the differing depreciation rates remain as described in Note 1(d).

The bank holds a legal charge over the freehold property in respect of the overdraft facility.

An impairment review was conducted by Mr P Chambers (Fellow of RCIS), who is also a Governor, in April 2011 which confirmed that the realisable value of the non specialised assets exceeds the declared carrying value. The previous valuation was carried out in January 2010.

Some individual items which form part of a larger project and for which their individual historic value is below the threshold have been capitalised as part of the overall project to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2011

9. Stock

	2011	2010
	£	£
Food items only	1,551	1,673

10 Debtors - amounts due within one year

	2011	2010
	£	£
Trade debtors	3	2,962
Prepayments	28,453	35,789
	28,456	38,751

11 Creditors – amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	387,074	436,116
Final term deposits	11,500	11,250
Advance Fee Scheme	35,511	55,648
Trade creditors	50,543	122,421
Social security costs	49,011	46,790
Pension creditor	4,027	4,027
Other creditors	30,380	67,571
Accruals and deferred income	262,329	242,791
	830,375	986,614

The bank overdraft is secured by a legal charge over Carswell House and Carswell Manor

Analysis of Accruals and Deferred Income.

	2011	2010
	£	£
Deferred income balance at 1 September 2010	242,791	233,984
Fees received	233,759	197,574
Fees released to surplus	(242,791)	(233,984)
	233,759	197,574
Deferred income balance at 31 August 2011	233,759	197,574
Accrued charges	28,570	45,217
Total Accruals and deferred income	262,329	242,791

The deferred income relates to fees paid for and in advance of the Autumn Term 2011

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For the year ended 31 August 2011

12. Creditors – amounts falling due after one year

	2011	2010
	£	£
Final term deposits	136,000	125,000
Advance Fee Scheme	41,404	60,260
Pension creditor	<u>73,904</u>	<u>75,031</u>
	<u><u>251,308</u></u>	<u><u>260,291</u></u>

The pension creditor relates to future unfunded pension costs in relation to a past employee. The amount has been calculated using average life expectancy data and was reviewed by the Teachers' Pensions Agency in August 2011.

Analysis of debt maturity 2011	Bank loans and overdrafts	Fees in advance scheme	Final term deposits	Pension creditor	Total
	£	£	£	£	£
Amounts payable:					
In one year or less or on demand	387,075	35,511	11,500	4,027	438,113
In more than one year but not more than two years	-	20,922	18,750	4,027	43,699
In more than two years but not more than five years	-	20,482	51,750	12,081	84,313
In five years or more		-	65,500	57,796	123,296
	<u>387,075</u>	<u>76,915</u>	<u>147,500</u>	<u>77,931</u>	<u>689,421</u>
Analysis of debt maturity 2010	Bank loans and overdrafts	Fees in advance scheme	Final term deposits	Pension creditor	Total
	£	£	£	£	£
Amounts payable					
In one year or less or on demand	436,116	55,648	11,250	4,027	507,041
In more than one year but not more than two years	-	21,195	11,000	4,027	36,222
In more than two years but not more than five years	-	31,193	48,000	16,108	95,301
In five years or more	-	7,872	66,000	54,896	128,768
	<u>436,116</u>	<u>115,908</u>	<u>136,250</u>	<u>79,058</u>	<u>767,332</u>

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13 Advance Fees Scheme

Previously parents were able to enter into a contract to pay the School the equivalent of up to 9 years' tuition fees in advance. The money may be returned to them subject to specific conditions. Assuming these pupils remain in the School, advance fees will be applied as shown in note 12 above. The scheme is no longer being run and therefore no new deposits are being accepted. Movements during the year were

	2011 £	2010 £
Balance at 1 September 2010	115,908	146,141
New contracts	-	-
Amounts credited to contracts	4,261	5,477
	120,169	151,618
Amounts used to settle fees due	(43,254)	(35,710)
Balance at 31 August 2011	76,915	115,908

14. Unrestricted Funds

	At 1 September 2010 £	Surplus /(Deficit) £	Transfers from restricted funds £	At 31 August 2011 £
Bursary fund	19,456	(19,456)	-	-
General fund	2,207,884	79,057	7,477	2,294,418
	2,227,340	59,601	7,477	2,294,418

Transfers from restricted funds reflects amounts spent from restricted funds on fixed assets, thereby fulfilling the purpose for which the funds were received

15 Restricted funds – movements in the year

	At 1 September 2010 £	Income £	Expended £	Transfers to Unrestricted Funds £	At 31 August 2011 £
Cannon Classics Prize	332	-	(16)	-	316
Clock Restoration Fund (Donations)	-	700	(90)	-	610
Centenary appeal fund	7,325	3,846	(2,612)	-	8,559
Centenary donation fund	2,864	2,930	-	-	5,794
Friends of St Hugh's	4,849	15,043	(6,509)	(7,477)	5,906
Helm Poetry Fund	445	-	(15)	-	430
Professor McFarlane Prize Fund	371	-	(20)	-	351
Paul Snow Memorial Prize	11,905	13	(250)	-	11,668
Music society	50	-	-	-	50
	28,141	22,532	(9,512)	(7,477)	33,684

The **Cannon Classics Prize** was set up by Derek Cannon, a former Headmaster, to provide an annual prize to a student studying classics

The **Clock Restoration Fund** was created from donations from parents to restore the old clock tower on the school site

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15 Restricted funds – movements in the year (continued)

The **Centenary Funds** were launched to celebrate the School's centenary in 2006. Funds raised will be used, at the Governors discretion, to fund enhancement to our facilities and to set up a Bursary Fund to provide means tested bursaries.

Friends of St Hugh's raises funds for the school to provide items that would not usually be covered by day to day budgets. The fund raises £1,000 per annum for a nominated local charity to provide funds for parents and children in need.

The **Helm poetry prize** was provided by a parent to fund an annual poetry prize.

Professor McFarlane, a former governor, set up a fund to provide an annual prize to a student studying French.

The **Paul Snow Fund** is in memory of a former pupil. It exists to provide grants to other former pupils to help to fund worthwhile projects undertaken by them following secondary education.

A **Music Society** was established in 2010 to promote the learning of music in the School.

16 Analysis of net assets between funds

	Tangible fixed assets £	Current assets/ (liabilities) £	Long term liabilities £	Total 2011 £
Restricted funds	-	33,684	-	33,684
Unrestricted Funds	3,367,240	(821,514)	(251,308)	2,294,418
	<u>3,367,240</u>	<u>(787,830)</u>	<u>(251,308)</u>	<u>2,328,102</u>

17 Cash flow statement

(a) Reconciliation of operating surplus to net cash inflow from continuing operating activities

	2011 £	2010 £
Operating surplus	72,621	174,959
Less interest received	(143)	(162)
Depreciation charge	263,706	213,602
Decrease in debtors	10,295	18,547
(Increase) in creditors	(116,180)	(131,125)
Decrease in stock	122	230
Net cash inflow from continuing operating activities	<u>230,421</u>	<u>276,051</u>

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17 Cash flow statement (continued)

(b) Capital expenditure

	2011 £	2010 £
Purchase of tangible fixed assets	181,168	503,943
Net cash outflow from capital expenditure	<u>181,168</u>	<u>503,943</u>

(c) Financing

	2011 £	2010 £
Repayments of capital element of finance lease	-	(1,898)
Net cash outflow from financing	<u>-</u>	<u>(1,898)</u>

(d) Analysis of changes in net debt

	At 1 September 2010 £	Cash Flows £	At 31 August 2011 £
Cash at bank and in hand	(423,932)	49,396	(374,536)
Net debt	<u>(423,932)</u>	<u>49,396</u>	<u>(374,536)</u>

18 Pension costs

Contributions are made to The Teachers' Pension Scheme (TPS), various pension schemes held with The Standard Life, Prudential and Legal & General Assurance Companies

The TPS is a defined benefit multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly the School has accounted for the scheme as if it were a defined contribution scheme.

The pension cost charge represents contributions payable by the School to the various schemes and amounted to £238,550 (excluding £1,127 valuation adjustment for pension creditor) (2010 £227,684, excluding £1,007 adjustment). At 31 August 2011 contributions amounting to £29,073 (2010 £27,411) were payable and are included in creditors.

19. Related party transactions

One of the Directors is the owner of The Oxford Wine Company. The school has a credit balance of £266. All transactions were on an arms length basis.

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20. Other financial commitments

At the end of the year the following annual commitments existed in respect of non cancellable operating leases

	2011 £	2010 £
Leases expiring		
Within one year	2,806	-
In more than one year but not more than two years	-	2,806
In more than two years but not more than five years	<u>5,713</u>	<u>5,713</u>
 In five years or more	 <u>8,519</u>	 <u>-</u>
	<u>17,038</u>	<u>8,519</u>

At the end of the year the following annual commitments existed in respect of non-cancellable maintenance and hire agreements

	2011 £	2010 £
Agreements expiring		
Within one year	6,702	6,103
In more than one year but not more than two years	11,411	6,702
In more than two years but not more than five years	<u>-</u>	<u>11,252</u>
	<u>18,113</u>	<u>24,057</u>