

THE PETWORTH COTTAGE TRUST
(a company limited by guarantee with no share capital)

(Company No. 3016747)

(Registered charity No. 1044840)

Trustees' report and financial statements

for the year ended 31 January 2008

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Patrons	The Lord Egremont, DL The Lady Egremont
Trustees	P A Jerrome MBE MA (Chairman) Mrs A Bradley Mrs J E Duncton L L Golden OBE JP FCA R G Harris M J N Leathers Mrs J M Robertson Mrs A M Simmons Mrs D E Stevenson (Secretary) G C Stevenson M E Tudor
Registered Office	346 High Street Petworth West Sussex GU28 0AU
Company Number	3016747
Charity Number	1044840
Bankers	NatWest Bank Plc Market Square Petworth West Sussex GU28 0AL
Solicitors	Solnick & Co 9 Chiswick High Road London W4 2ND
Auditors	Sheen Stickland LLP 7 East Pallant Chichester West Sussex PO19 1TR

Trustees' report for the year ended 31 January 2008

The trustees present their annual report and the financial statements for the year ended 31 January 2008.

Governance, Structure and Management

Governing instrument

The Petworth Cottage Trust was incorporated in England on 31 January 1995 as a private limited company with no share capital, registered no. 3016747, and is also registered as a charity, no. 1044840.

The Lord and Lady Egremont are patrons of the Petworth Cottage Trust.

Trustee recruitment, appointment and training

The charity is run solely by the trustees who meet at least four times in a year and take all decisions, based where necessary on advice given. The charity's articles of association require there to be not less than three trustees, but there is no maximum. The first trustees were appointed on incorporation of the charity in March 1995. They are: Mrs A Bradley, Mrs J E Duncton, Mrs J E Golden, L L Golden, R G Harris, P A Jerrome and Mrs A M Simmons.

Subsequent trustees appointed were Mrs J M Robertson (17/9/1997), M J N Leathers (17/4/2001), Mrs D E Stevenson (26/8/2003), G C Stevenson (11/10/2005) and M E Tudor (5/7/2006), all only until the following annual general meeting. Despite that limitation and the requirements contained in the articles of association that at annual general meetings one third of the trustees shall retire from office, they have all, except for Mrs J E Golden (deceased 19/12/2005), remained trustees because by a resolution passed in February 1996 the charity in general meeting elected to dispense with the holding of annual general meetings.

New trustees are appointed by the serving trustees from amongst people of known ability who are interested in the trust's work.

Related parties

The trustees received no remuneration from the charity in the year. (2007 £Nil). Expenses reimbursed were £ Nil (2007 £81).

Risk review

The only risks to which the charity is exposed are those associated with investment, which the trustees guard against so far as possible by investing as mentioned below. Damage to the cottage, to its contents, to visitors or to stewards is covered by insurance.

Objectives and Activities

The charity's objects are to advance the education of the public by affording them access to the cottage at 346 High Street in Petworth restored and furnished as a typical cottage on the Leconfield Estate as it might have been in Petworth's heyday as an estate town in 1910 or thereabouts.

Investment policy

The trustees are empowered under the charity's articles of association to invest as they see fit. In fact the trust holds only equity units in a common investment fund and in an exempt unit trust; and property units in a common investment fund. Money awaiting investment is held in the COIF Charities Deposit Fund. By the end of the year the cumulative unrealised gains on investments, being their market value in excess of their cost, was £13,838 (2007 £19,614).

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Trustees' report for the year ended 31 January 2008

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Achievements and Performance

The charity's sole activity relates to the cottage, a lease of which was granted to it at a nominal rent for 21 years from 21 September 1995, a period which was extended on 4 December 2001 by the grant of a supplemental lease which expires on 19 September 2041.

The cottage is open during the afternoon of Wednesdays, Thursdays, Fridays, Saturdays, Sundays and bank holidays from the beginning of April to the end of October. The total number of visitors was slightly down on the previous year. It is hoped that the number will rise as the cottage's facilities become better known. More effective advertising and publicity continues to occupy the minds of the trustees.

Financial Review

During the year the operating fund incurred a deficit of £2,161 which was met by a transfer from the endowment fund, so maintaining the operating fund at £2,500. Besides that transfer there was a reduction of £5,776 in the value of investments, so the endowment fund fell to £68,693, a reduction of £4,082.

The receipt of subscriptions from the Friends of the Petworth Cottage Trust remains an important source of annual financial support and the trustees are grateful to Joanna de Vos van Steenwyk for her able administration of the Friends.

The trustees are aware and recognise with thanks the considerable burden of stewarding at the cottage, a task which is undertaken voluntarily by a host of dedicated volunteers. Without their help it would not be possible to continue. Fortunately that task is usually an enjoyable and rewarding one, made the more so when visitors often remark on the warmth of their reception.

Reserves policy

The trust funds comprise an operating fund and an endowment fund, both of which may be expended on the charity's objects without restriction.

Any deficits incurred by the operating fund are met by transfer from the endowment fund and, any surpluses enjoyed by the operating fund are removed by transfer to the endowment fund.

Plans for the future

The Trustees plan to continue to advance the education of the public by affording them access to the cottage at 346 High Street in Petworth.

Statement of Trustees Responsibilities

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements the trustees 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 charity will continue in business.**

Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as Trustees in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Small companies provision

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

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This report and the financial statements have been approved by the trustees and, they have authorised me to sign them on their behalf.

Date: 24 NOV 2008

C. A. Towne

Chairman

Statement of Financial Activities
(Incorporating an Income and Expenditure account)
For the year ended 31 January 2008

	Oper- ating fund 2008 £	Endow- ment fund 2008 £	Total funds 2008 £	Total funds 2007 £
Incoming resources				
from charitable activities				
cottage entrance fees	2,488	-	2,488	3,248
gain on sale of guides	56	-	56	69
gain on sale of postcards	34	-	34	52
from generated funds				
voluntary income				
grants and donations (note 2)	-	183	183	3,000
Friends' subscriptions	-	2,575	2,575	2,034
fund raising events	-	495	495	2,051
investment income (note 3)	-	602	602	409
Endowment fund appeal	-	-	-	2,465
Total incoming resources	2,578	3,855	6,433	13,328
Resources expended				
charitable activities				
cottage expenses (note 4)	3,082		3,082	4,963
governance costs (note 5)	1,657		1,657	1,727
costs of generating funds (note 6)	-	-	-	4,984
Total resources expended	4,739	-	4,739	11,674
Net incoming resources before transfers	(2,161)	3,855	1,694	1,654
Transfers between funds	2,161	(2,161)	-	-
Net incoming resources before other gains/(losses)	-	1,694	1,694	1,654
Unrealised gains on investments (note 7)	-	(5,776)	(5,776)	7,990
Net movement in funds	-	(4,082)	(4,082)	9,644
Total funds brought forward at beginning of year	2,500	72,775	75,275	65,631
Total funds carried forward at end of year	2,500	68,693	71,193	75,275

All activities of the charity are classed as continuing.

The Petworth Cottage Trust
(a company limited by guarantee)

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Balance Sheet as at 31 January 2008

			2008		2007
		£	£	£	£
Fixed assets					
tangible assets					
listed investments	(note 7)	48,646		54,422	
leasehold cottage	(note 8)	6,027		6,206	
cottage contents	(note 9)	7,943		7,943	
total fixed assets			62,616		68,571
Current assets					
stocks at cost	(note 10)	664		991	
COIF Charities deposit fund		7,318		6,518	
debtors and prepayments		618		303	
bank balances and cash in hand		379		2,657	
total current assets		8,979		10,469	
Current liabilities					
creditors: amounts falling due within one year & accrued charges		402		3,765	
Net current assets less liabilities			8,577		6,704
Net assets			71,193		75,275
Represented by unrestricted funds:					
Endowment fund			68,693		72,765
Operating fund			2,500		2,500
Total funds	(note 11)		71,193		75,275

Approved by the trustees and signed on their behalf by:

Date:

24 NOV 2008

C. A. Jellicoe Chairman

Notes to financial statements for the year ended 31 January 2008

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. They comply with both the Accounting and Reporting by Charities Statement of Recommended Practice published in March 2005 by the Charity Commission for England and Wales and the Companies Act 1985.

Amounts of income and expenditure include accruals and exclude prepayments

	£	2008 £	£	2007 £
2 Grants and donations				
Local government grants				
Petworth Parish Council	0		750	
Chichester District Council	0		750	
General donations	183		1,500	
		183		3,000
		=====		=====

3 Investment income

Interest on deposits				
COIF charities deposit fund	309		152	
bank clubs reserve account	11		12	
Distributions on common investment units	282		245	
		602		409
		=====		=====

4 Cottage expenses

Repairs and decorations	60		1,687	
Caretaking, garden maintenance	1,196		1,267	
Insurance	414		430	
Electricity	180		324	
Telephone	261		288	
Gas	125		153	
Firewood and coal	150		230	
Water	197		185	
Council Tax	184		164	
Lease amortisation (note 8)	179		180	
Rent	12		12	
Sundry expenses	124		43	
		3,082		4,963
		=====		=====

Notes to financial statements for the year ended 31 January 2008

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	£	2008 £	£	2007 £
5 Governance costs				
Advertising and publicity	452		751	
Leaflets	535		506	
Auditors' remuneration	176		176	
Postage and stationery	382		168	
Subscriptions to tourist boards	87		86	
Subscription to museum service	10		10	
Companies House filing fees	15		30	
		1,657		1,727
		=====		=====
6 Costs of generating funds				
Royal School of Needlework exhibition	0		3,525	
Tenth anniversary appeal				
Printing and distribution of				
appeal letters	0		1,151	
Leconfield Hall hire	0		203	
Petworth Town band	0		105	
		0		4,984
		=====		=====
7 Listed investments				
in common investment fund units				
and exempt fund units				
Market value, 1 February 2007	54,422		46,432	
Unrealised (losses)/gains	-5,776		7,990	
Cost of purchases	0		0	
Market value, 31 January 2008				
Cost £34,808 (2007 £34,808)		48,646		54,422
		=====		=====

The market value of £48,646 comprises holdings in The Equities Investment Fund for Charities (£27,734), The COIF Charities Property Fund (£11,758) and The Growth Fund for Charities (£9,154).

Notes to financial statements for the year ended 31 January 2008

..... Continued

	2008 £	2007 £
8 Leasehold cottage		
Costs incurred on grant of lease and cottage restoration		
Balance as at 1 February 2007	10,122	10,122
Amount written off as at 1 February 2007	3,916	3,736
during the year	179	180
	4,095	3,916
Balance as at 31 January 2008	6,027	6,206

The costs have been written off evenly, initially over the term of the 21 year lease granted on 21 September 1995 but since 4 December 2001, when a supplemental lease to 19 September 2041 was granted, over the period from 4 December 2001 to 19 September 2041.

9 Cottage contents

Balance of costs incurred as at 1 February 2007	7,943	7,943
Additions/(disposals) during year	0	0
Balance as at 31 January 2008	7,943	7,943

10 Stocks

Museum guides at cost	504	622
Postcards at cost	160	192
Leaflets at cost	0	177
	664	991

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

11 Total funds

The endowment fund comprises the accumulated resources stemming from Friends' subscriptions; from fund-raising activities; from investment income; from grants and donations; and from gains less losses on investments. It may be expended on the charity's objects without restriction.

The operating fund, which may be expended similarly, receives the income derived from visitors to the cottage and bears the necessary expenditure on its maintenance and on management and administration of the trust, with any deficit thereby incurred recovered by a transfer from the endowment fund but with any surplus thereby enjoyed transferred to the endowment fund.

Five Year Review

ENDOWMENT FUND

years ended 31st January

	Friends' subscrip- tions	fund raising events	invest ment income	grants and donations	gains on investm'ts	net growth
	£	£	£	£	£	£
2004	1,771	2,142	742	1,063	2,981	8,699
2005	1,855	789	495	1,116	4,891	9,146
2006	1,746	687	528	2,090	6,588	11,639
2007	2,034	-468	409	3,750	7,990	13,715
2008	2,575	495	602	183	-5,776	-1,921

OPERATING FUND

years ended 31st January

	cottage entrance fees	postcards and guides	cottage expenses	govern- ance costs	deficit	surplus
	£	£	£	£	£	£
2004	3,213	54	-2,539	-1,698	-970	
2005	3,858	107	-2,800	-1,014		151
2006	3,770	156	-3,207	-1,429	-710	
2007	3,248	121	-4,963	-1,551	-3,145	
2008	2,488	90	-3,082	-1,657	-2,161	

TOTAL FUNDS

as at 31st January, after the transfer of operating fund deficits and surpluses to the endowment fund.

	endowment fund	operating fund	total funds
	£	£	£
2004	42,905	2,500	45,405
2005	52,202	2,500	54,702
2006	63,131	2,500	65,131
2007	72,951	2,500	75,451
2008	68,693	2,500	71,193

NOTES

- 1 Friends' subscriptions and fundraising events are shown net of the relevant expenses.
- 2 Gains on investments comprise both unrealised and realised gains.
- 3 The amount for postcards and guides are the sums received in excess of their cost.

Summary Income and Expenditure Account
Year Ended 31 January 2008

	2008	2007
	£	£
Gross income of continuing operations	2,578	3,369
Non-charitable trading activities : net income	0	0
Total income of continuing operations	<u>2,578</u>	<u>3,369</u>
Total expenditure of continuing operations	4,739	6,690
Net income before transfers and investment asset disposals	-2,161	-3,321
Transfer to endowment fund	0	0
Transfer from endowment fund	2,161	3,321
Net expenditure before investment asset disposals	<u>0</u>	<u>0</u>
Gains/(losses) on investment asset disposals	0	0
Net expenditure	<u><u>0</u></u>	<u><u>0</u></u>

This account has been prepared in accordance with the Companies Act 1985 which, unlike the statement of financial activities required by the Charity Commission, calls for the omission of unrealised gains or losses on investments and of movements on the endowment fund other than transfers to or from that fund, as shown above.

The account has therefore been derived from the statement of financial activities on page 6 which, together with the notes to the accounts on pages 8 to 10, provides full information of the movements on both funds of the charity.

Independent auditors' report to the members
Year ended 31 January 2008

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not 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.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who also act as directors for the charitable activities of the company) are to prepare the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept 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 trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

The Petworth Cottage Trust
(a company limited by guarantee)

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Independent auditors' report to the members
Year ended 31 January 2008 - (Continued)

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charity's state of affairs as at 31 January 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and the financial statements have been properly prepared in accordance with the Companies Act 1985 and the information provided in the Trustees' Annual Report is consistent with the financial statements.



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Date 25th November 2008